



**Johnston Community School District
Johnston, Iowa**

Comprehensive Annual Financial Report

Year Ended June 30, 2010

COMPREHENSIVE ANNUAL FINANCIAL REPORT
JOHNSTON COMMUNITY SCHOOL DISTRICT

Johnston, Iowa

Fiscal Year Ended June 30, 2010

OFFICIAL ISSUING REPORT

Jan Miller-Hook, Executive Director of Financial Services

OFFICE ISSUING REPORT

Business Office

Johnston Community School District
Table of Contents
June 30, 2010

INTRODUCTORY SECTION

	<u>Page</u>
Letter of Transmittal	1-4
Organizational Chart	5
Board of Education	6
School District Administration	7
Certificate of Achievement/Excellence	8-9

FINANCIAL SECTION

Independent Auditor's Report	11-12
Management's Discussion and Analysis (MD&A)	13-20

Basic Financial Statements:

Government-Wide Financial Statements:

Statement of Net Assets	A	22-23
Statement of Activities	B	24-25

Governmental Fund Financial Statements:

Balance Sheet	C	26
Reconciliation of the Balance Sheet -		
Governmental Funds to the Statement of Net Assets	D	27
Statement of Revenues, Expenditures and Changes in Fund Balances	E	28-29
Reconciliation of the Statement of Revenues, Expenditures And Changes		
in Fund Balances - Governmental Funds To the Statement of Activities	F	30

Proprietary Funds Financial Statements:

Statement of Net Assets	G	31
Statement of Revenues, Expenses and Changes in Net Assets	H	32
Statement of Cash Flows	I	33-34
Notes to Financial Statements		35-47

Required Supplementary Information:

Schedule of Funding Progress for the Retiree Health Plan	49
Budgetary Comparison Schedule of Revenues, Expenditures and	
Changes in Balances - Budget and Actual - All Governmental Funds	
and Proprietary Funds	50
Notes to Required Supplementary Information - Budgetary Reporting	51

Other Supplementary Information:

Combining and Individual Fund Financial Statements and Schedules:

Non-major Special Revenue Funds:

Combining Balance Sheet	1	53
Combining Schedule of Revenues, Expenditures and		
Changes in Fund Balances	2	54-56

Proprietary Funds:

Combining Statement of Net Assets	3	57
Combining Statement of Revenues, Expenses and Changes in		
Net Assets	4	58-59
Combining Statement of Cash Flows	5	60-61

Capital Assets used in the Operation of Governmental Funds:

Schedule by Source	6	62
Schedule by Function and Activity	7	63
Schedule of Changes by Function and Activity	8	64

Other Financial Schedules:

Schedule of Changes in Individual Student Activity Accounts	9	65-66
Schedule of Revenues by Source and Expenditures by Function -		
All Governmental Funds	10	67

Table of Contents, concluded

	<u>Page</u>
<u>STATISTICAL SECTION (UNAUDITED)</u>	
Net Assets by Component	69
Expenses, Program Revenues and Net Revenues (Expenses)	70
General Revenues and Total Change in Net Assets	71
Fund Balances - Governmental Funds	72
Governmental Funds Revenues	73
Government-Wide Revenues, by Source	74
Comparative Ratio of Debt Service to Governmental Funds Expenditures	75
Government-Wide Expenses, by Function	76
Other Financing Sources	77
Comparisons of Growth in Revenue, Expenditures, Enrollment, Assessed Valuation and Tax Rates – General Fund	78
Taxable Assessed Valuation by Property Type	79
Property Tax Rates per \$1,000 Assessed Valuation	80
Principal Taxpayers and Employers	81
Property Tax Levies and Collections	82
Property Tax Rates	83
Property Tax Collection	84
Property Tax Liability	85
Ratios of General Bonded Debt Outstanding	86
Outstanding Debt by Type	88-89
Legal Debt Margin Information	90-91
Debt Limit	92
Pledged Revenue Coverage	93
General Info	94
Population	95
Retail Sales	96
Bank Deposits	97
Residential Construction by Number of Dwelling Units	98
District Staffing Levels	99
Operating Cost Per Pupil	100
General Analysis of Facilities	101
Schedule of Insurance Coverage	102-103
 <u>COMPLIANCE SECTION</u>	
Schedule of Expenditures of Federal Awards	105
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	107-108
Independent Auditor's Report on Compliance with Requirements Applicable to Each Major Program and on Internal Control over Compliance in Accordance with OMB Circular A-133	109-110
Schedule of Findings and Questioned Costs	111-113



Johnston Community School District
5608 Merle Hay Road, P.O. Box 10
Johnston, IA 50131-0010 ph.515-278-0470 fax 515-278-5884
Jan Miller-Hook, Executive Director of Financial Services

October 25, 2010

Members of the Board of Education
Johnston Community School District
Johnston, Iowa

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the Johnston Community School District for the fiscal year ended June 30, 2010. The report has been prepared to conform to guidelines recommended by the Association of School Business Officials (ASBO) International and the Government Finance Officers Association (GFOA) of the United States and Canada.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed information is fairly stated in all material respects and is presented in a manner which sets forth the financial position and results of operations of the various funds of the District in accordance with generally accepted accounting principles, (GAAP). It includes all District funds. All disclosures necessary to enable a reader to gain maximum understanding of the District's financial activities have been included.

The 2010 Comprehensive Annual Financial Report is presented in four sections: Introductory, Financial, Statistical and Single Audit Compliance. The Introductory Section includes a transmittal letter, the District's organizational chart, a list of District officials, and the 2009 Certificate of Achievement for Excellence in Financial Reporting presented by the Government Finance Officers Association and the Association of School Business Officials.

The financial section consists of the independent auditor's report, Management's Discussion and Analysis, audited basic financial statements, required supplemental information, and combining and individual fund statements and schedules. The audited basic financial statements present both an overview and a broad long-term perspective of the School District as a whole in the government-wide financial statements. The Management's Discussion and Analysis presents financial highlights and information.

The Statistical Section sets forth selected unaudited financial and demographic information, and is divided into five categories including financial trends, revenue capacity, debt capacity, demographic and economic information, and operating information generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, Audits of State, Local Governments, and Non-Profit Organizations. This section contains all necessary schedules and auditor's reports required for the District to comply with these regulations.

Reporting Entity

This report includes all entities or organizations that are required to be included in the District's reporting entity. The District is a separate reporting entity and is not included in any other reporting entity. A seven-member elected Board of Directors governs the Johnston Community School District. The Board of Directors is a policy-making and planning body whose decisions are carried out by school administrators.

The Johnston Community School District is located in the northwest part of Polk County and is one of the fastest growing suburbs of Des Moines, Iowa. The District is the 14th largest of Iowa's 359 public school systems. The enrollment is approximately 5,972 students. The District provides a full range of educational services appropriate to students in early childhood, preschool and grades kindergarten through twelve. These services include basic, regular and enriched academic education; special education for children with special needs; vocational education; and numerous individualized programs such as specialized instruction for students at-risk and for limited-English-speaking students.

In addition to the elementary, middle school and high school programs offered in the District, there are additional opportunities for achieving success. Students attend METRO West, an alternative school for students who function better in a less-structured environment. Students may also attend the Central Academy that affords additional opportunities for a greater breadth of classes.

The District serves these students in one high school, two middle schools and five elementary schools. All of these buildings are either new or remodeled in the past 25 years.

Economic Condition and Outlook

The District is located in the central part of the state, within the larger Des Moines metropolitan area and ranks as one of the top growth areas of the country. The economic condition and outlook of the District have remained strong during the past ten years, and as a result, the District has experienced tremendous growth over the past several years. This growth has had a positive effect on employment and the District's tax base. The District has averaged 8.2% annual increase in the tax base over the past ten years, and experienced a 4.9% increase in 2010.

Based on conservative projections, this trend is expected to continue well into the next decade. While having a positive impact, the growth also presents significant challenges for the District. The District utilizes the optional instructional support levy at a level deemed appropriate and will need to continue a high level of efficient use of human resources and facilities.

Retail sales, building permits, and population increases in the western suburbs have generally exceeded that of any other location in the metropolitan area or in the State of Iowa. These increases are expected to continue if economic conditions remain stable.

In recent years, the state of Iowa has faced an economic downturn that severely hampered its ability to fund schools at the same level as in prior years. The District has faced inadequate funding for state aid and other state-funded programs, and this was particularly demonstrated in the unprecedented 10% across the board state funding cut fall 2009.

Major Initiatives

It is projected that the district will continue to grow for the foreseeable future with growth topping out at 6,000 – 6,800 students. Construction was completed at the support facility in the fall of 2009.

In order to fund this project as well as various other projects including the construction of Timber Ridge Elementary and the High School addition, \$26.5 million in general obligation bonds were sold in fiscal year 2006 and \$10 million August 2007. The sale came from previous voter approval of a \$36.5 million bond referendum. The general obligation bonds will be repaid with Local Option Sales and Services Tax revenue until the proceeds from the levy expire. At that time, the remaining debt will be repaid with property taxes.

Long-Term Financial Planning

Unreserved, undesignated fund balance in the general fund is slightly down from fiscal year 2008-2009. During fiscal year 2009-2010, the District had a 10% cut across the board from the state in funding. This coupled with more funds identified as state designated funds resulted in this decrease. The increase in state designated funds is a result of carryover preschool grant funds and teacher quality funds which were reduced by the 10% cut. Even though the District did not receive the funding for the teacher quality funds that were reduced, the District is still required to designate those funds on the financial statements since allowable growth was not reduced. With a solvency ratio between 0-5%, a fund balance is considered adequate for short term credit purposes as long as other economic trends such as property tax collections and enrollment are sound. However, in order to receive higher bond ratings for borrowing and to meet unforeseen financing requirements, it is recommended that a district have a solvency ratio of 5-10%. Our District currently has a 3.4% solvency ratio as a result of the 10% state cut. If the District would not have experienced that reduction, our solvency ratio would be 8.2%. We will strive to be within the targeted 5-10% range annually, and have increased cash reserve levies for that purpose.

The State of Iowa has implemented mid-year budget reductions or not provided on time funding over the last several years. With a growing district like Johnston, funds need to be built up to help cover those mid-year budget decreases and to help cover expenses of increased enrollments since funding is not received until the subsequent year. With over 80% of the District's resources required for salaries and benefits, staffing efficiencies will become a priority.

Relevant Financial Policies

Since the funding formula is pupil driven, an increase in total spending authority occurs by increasing the number of pupils or by increasing the cost per pupil. The cost per pupil can be increased by the legislature in setting the amount of allowable growth each year. Under the law, the legislature has thirty (30) days after receiving the governor's budget recommendation to set the state percent of growth for the year following the budget year. (Legislature spring 2009 set the fiscal year 2010-2011 state percent of growth). However, in the spring of 2010, the statutory requirement to establish the percentage of allowable growth increase for K-12 schools and accompanying educational funding categories for the 2011-12 school year was delayed for one year.

Internal Control

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal, state and local financial assistance, the District is also responsible for ensuring that adequate internal control is in place to ensure compliance with applicable laws and regulations related to those programs. As a part of the District's single audit, described earlier, tests are made to determine the adequacy of internal control, including that portion related to federal awards programs, as well as to determine that the District has complied with applicable laws and regulations.

Budgetary Controls

In addition, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual budget approved by the District's governing body. Activities of the General Fund, Special Revenue Funds, Enterprise Fund, Debt Service Fund and Capital Projects Fund are included in the annual budget. The level of budgetary control (that is, the level at which expenditures cannot legally exceed the budgeted amount) is established by function and encompasses all fund types. To facilitate the monitoring of the legal provisions, and to provide more complete information to interested parties the District prepares a more detailed budget for each fund. The District also maintains an encumbrance accounting system as one technique of accomplishing budgetary control.

As demonstrated by the statements and schedules included in the Management's Discussion and Analysis included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

Risk Management

The District carries general liability and auto coverage, property insurance, errors and omission coverage, and excess umbrella coverage. In addition, the District manages a self-funded workers' compensation plan that is also supplemented by excess workers' compensation coverage. The District manages a self-funded insurance plan for its employee medical and dental insurance programs.

Cash Management

Cash temporarily idle during the year was invested in Iowa School Joint Investment Trust, IPASeducation Program, and money market accounts. Funds from General Obligation Bond proceeds have been invested in certificates of deposit that allow monthly withdrawals for construction payments. In addition, banking services were bid in the spring of 2009 resulting in substantial monthly fee savings.

Independent Audit

The Code of the State of Iowa requires an annual audit of the District to be performed by an accounting firm selected in a competitively bid process. The annual audit meets the requirements of the Code of Iowa, generally accepted auditing standards and the requirements of the 1996 Amendment to the Single Audit Act, and related OMB Circular A-133. The auditor's report on the general-purpose financial statements and combining and individual fund statements is included in the financial section of this report.

The auditor's reports related specifically to the single audit are included in a separate section for internal controls and compliance.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Johnston Community School District for its comprehensive annual financial report for the fiscal year ended June 30, 2009. The Certificate of Achievement is the highest form of recognition for excellence in state and local financial reporting. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The District also received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials (ASBO) upon recommendation of the Association's Panel of Review, which has judged that the report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program. A certificate is valid for a period of one year, and we are submitting this report to ASBO to determine its eligibility for another certificate.

Acknowledgements

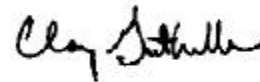
The preparation of this report could not be accomplished without the efficient and dedicated services of the entire central administrative support staff and our auditors, Van Maanen, Sietstra & Meyer, PC. Finally, we would like to thank the Board of Education for their continued interest and support in conducting the financial operations of the District in a most responsible and progressive manner.

We are pleased to present this report of the results of the District's financial operation for the fiscal year ended June 30, 2010. It is our hope that study and review of this report will provide a better understanding of the District's financial operation for the District patrons.

Respectfully submitted,

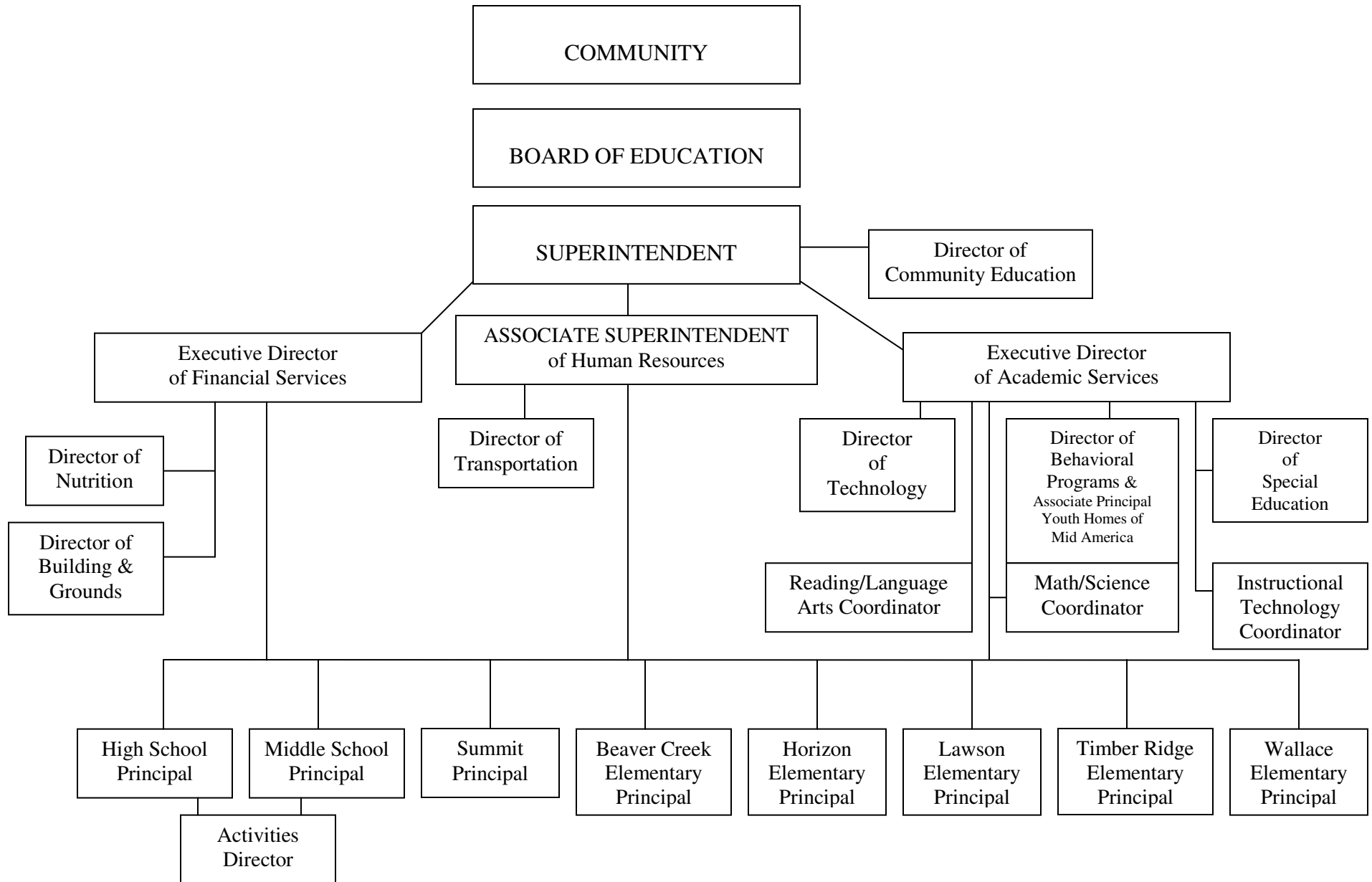


Jan Miller-Hook
Executive Director of Financial Services



Clay Guthmiller
Superintendent of Schools

Johnston Community School District, Organizational Chart, Year Ended June 30, 2010
Updated 11/24/2010



**Johnston Community School District
Board of Education
Year Ended June 30, 2010**

Before September, 2009 election

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
Christopher Sonner	President	2009
Mike Farrell	Vice President	2011
Tyler Buller	Board Member	2009
Ralph Young	Board Member	2009
Jackie Heiser	Board Member	2011
Jill Morrill	Board Member	2011
Tracey Orman	Board Member	2011

After September, 2009 election

Tracey Orman	President	2011
Jackie Heiser	Vice President	2011
Mike Farrell	Board Member	2011
Jill Morrill	Board Member	2011
Marci Cordaro	Board Member	2013
John Dutcher	Board Member	2013
Julie Walter	Board Member	2013

**Johnston Community School District
School District Administration
Year Ended June 30, 2010**

<u>Name</u>	<u>Position</u>
Clay Guthmiller	Superintendent of Schools
Dr. James A. Casey	Associate Superintendent of Human Resource Services
Dr. Bruce Amendt	Executive Director of Academic Affairs
Jan Miller-Hook	Executive Director of Financial Services
Nancy J. Buryanek	Director of Community Education
Tim Kline	Director of Buildings and Grounds
Steve Landwehr	Assistant Director of Buildings and Grounds
LaRae Doll	Director of Nutrition & Food Services
Michael Volz	Director of Transportation
Tony Sparks	Director of Technology
Bruce Hukee	High School Principal
Randy Klein	High School Associate Principal
Jerry Stratton	High School Associate Principal
Brian Carico	Middle School Principal
Beth Ward	Middle School Associate Principal
Linda Hansen	Summit Middle School Principal
Kevin Blackburn	Summit School Associate Principal
Gary L. Ross	Director of Athletics and Activities
Trish Lenarz-Garmoe	Lawson Elementary Principal
Cheryl Henkenius	Timber Ridge Elementary Principal
Tim Salmon	Horizon Elementary Principal
Suzie Pearson	Wallace Elementary Principal
Eric Toot	Beaver Creek Elementary Principal
Vickie McCool	Y-Home Associate Principal & Special Education Coordinator
Dr. Barb Rankin	Director of Behavioral Programming/Y-Home Associate Principal

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Johnston Community School
District, Iowa

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2009

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

**ASSOCIATION OF SCHOOL BUSINESS OFFICIALS
INTERNATIONAL**



This Certificate of Excellence in Financial Reporting is presented to

JOHNSTON COMMUNITY SCHOOL DISTRICT

For its Comprehensive Annual Financial Report (CAFR)

For the Fiscal Year Ended June 30, 2009

Upon recommendation of the Association's Panel of Review which has judged that the Report substantially conforms to principles and standards of ASBO's Certificate of Excellence Program

President

Executive Director





705 Main Street
Pella, IA 50219
641-628-3737

www.vanmaanenpcpa.com

Van Maanen, Sietstra & Meyer, PC

CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

To the Board of Education
Johnston Community School District
Johnston, Iowa

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Johnston Community School District, Johnston, Iowa, as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements listed in the table of contents. These financial statements are the responsibility of District officials. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of Johnston Community School District at June 30, 2010, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 25, 2010 on our consideration of Johnston Community School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Management's Discussion and Analysis, Budgetary Comparison Information and Schedule of Funding Progress for the Retiree Health Plan on pages 13 through 20 and 49 through 51 are not required parts of the basic financial statements, but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. We did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Johnston Community School District's basic financial statements. We previously audited, in accordance with the standards referred to in the second paragraph of this report, the financial statements for the eight years ended June 30, 2009 (which are not presented herein) and expressed unqualified opinions on those financial statements. The introductory section, combining and individual non-major fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. Other supplementary information included in Schedules 1 through 10, and the Schedule of Expenditures of Federal Awards required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, found in the Compliance Section, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in our audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and, accordingly, we express no opinion on them.

Van Maanen, Sietstra & Meyer, PC

Van Maanen, Sietstra & Meyer, PC
Certified Public Accountants

October 25, 2010

The Johnston Community School District provides this Management's Discussion and Analysis of its financial statements. This narrative overview and analysis of the financial activities is for the fiscal year ended June 30, 2010. We encourage readers to consider this information in conjunction with the District's financial statements, which follow.

Financial Highlights

- The district showed an increase of \$3,255,920 and \$6,614,905 in net assets for governmental activities during the years ended June 30, 2010 and 2009, respectively. This increase is primarily a result of a reduction in outstanding general obligation bonds and revenue bonds.
- Total revenues for the fiscal year ended June 30, 2010 and 2009 of \$71,477,316 and \$70,395,786 were comprised of General Revenues in the amount of \$54,702,681 and \$53,421,320 and Program Revenues totaling \$20,410,958 and \$16,974,466 respectively.
- As of June 30, 2010, the District's governmental funds reported combined ending fund balances of \$21,064,199, a decrease of \$3,212,295 in comparison with 2009. This compares with June 30, 2009 balance of \$24,276,494, a decrease of \$1,112,024 in comparison with 2008. Most of this decrease for year ending 2010 is due to using capital funds to complete construction on the support facility and the purchase of land for the next elementary.
- As of June 30, 2010, unreserved undesignated fund balance for the General Fund was \$1,580,546 or 2.9% of total General Fund expenditures. This is a decrease from the balance on June 30, 2009 of \$2,347,277 or 4.5% of expenditures. While the District substantially increased the cash reserve levy for fiscal 2010, it was offset by the 10% cut in state aid thereby decreasing our fund balance.

Overview of the Financial Statements

This report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *Government-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the Government-wide statements.
- The statements for *governmental funds* explain how basic services, such as regular and special education, were financed in the short term as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

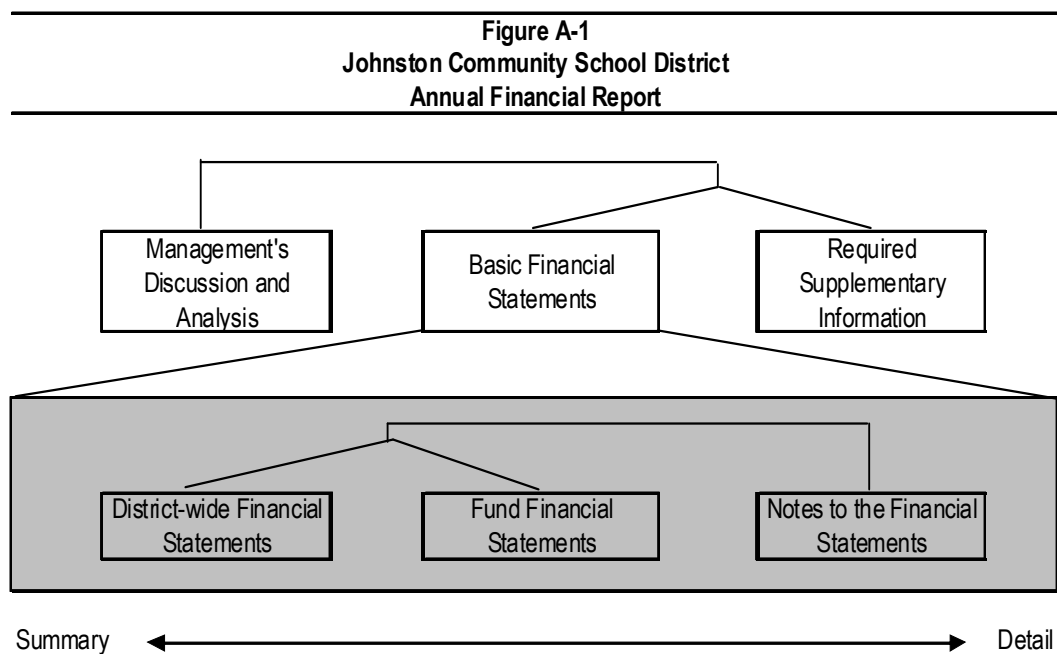


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of the management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2 Major Features of the Government-wide and Fund Financial Statements			
	Government-wide Statements	Fund Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses: food services and adult education
Required financial statements	<ul style="list-style-type: none"> • Statement of net assets • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net assets • Statement of revenues, expenses and changes in net assets • Statement of cash flows
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/ liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/ outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

Government-wide Statements

The Government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net assets includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities, regardless of when cash is received or paid.

The two Government-wide statements report the District's *net assets* and how they have changed. Net assets – the difference between the District's assets and liabilities – are one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net assets are an indicator of whether financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors, such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the Government-wide financial statements, the District's activities are divided into two categories:

- *Governmental activities*: Most of the District's basic services are included here, such as regular and special education, transportation and administration. Property tax and state aid finance most of these activities.
- *Business-type activities*: The District charges fees to help cover the costs of certain services it provides. The District's school nutrition program is included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs.

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes, such as accounting for student activity funds or to show that it is properly using certain revenues such as federal grants.

The District has two kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the Government-wide statements, additional information at the bottom of the governmental fund statements explains the relationship or differences between the two statements.
 - The District's governmental funds include the General Fund, Special Revenue Funds, Debt Service Fund and Capital Projects Fund.
- *Proprietary funds*. The District's proprietary funds are reported in the same way as the Government-wide statements.
 - The District's enterprise funds, one type of proprietary fund, are the same as its business-type activities, but provide more detail and additional information, such as cash flows. The District currently has three enterprise funds: School Nutrition, Daycare, Community Preschool and Community Education.
 - The District's internal service funds consist of revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis. The District's internal service funds are the Health and Dental Insurance and Flex Benefit funds.

Financial Analysis of the District as a Whole

Net assets - Figure A-3 below provides a summary of the District's net assets for the year ended June 30, 2010.

Figure A-3							
Condensed Statement of Net Assets							
	Governmental activities		Business type activities		Total		Total Change
	June 30,		June 30,		June 30,		June 30,
	2010	2009	2010	2009	2010	2009	2009-2010
Current assets	\$ 61,634,609	63,379,139	2,180,646	2,137,474	63,815,255	65,516,613	-2.6%
Capital assets, net	89,605,323	88,875,087	759,166	764,558	90,364,489	89,639,645	0.8%
Other assets	15,769	17,346	-	-	15,769	17,346	-9.1%
Total assets	151,255,701	152,271,572	2,939,812	2,902,032	154,195,513	155,173,604	-0.6%
Current liabilities	41,687,666	41,914,705	265,644	229,968	41,953,310	42,144,673	-0.5%
Long-term liabilities	41,701,897	45,746,649	27,308	13,038	41,729,205	45,759,687	-8.8%
Total liabilities	83,389,563	87,661,354	292,952	243,006	83,682,515	87,904,360	-4.8%
Net assets:							
Invested in capital assets, net of related debt	48,156,947	45,865,614	759,166	764,558	48,916,113	46,630,172	4.9%
Restricted	15,159,937	13,277,408	-	-	15,159,937	13,277,408	14.2%
Unrestricted	4,549,254	5,467,196	1,887,694	1,894,468	6,436,948	7,361,664	-12.6%
Total net assets	\$ 67,866,138	64,610,218	2,646,860	2,659,026	70,512,998	67,269,244	4.8%

As noted earlier, net assets may serve over time as a useful indicator of a government entity's financial position. The District's total net assets have increased from a year ago \$67,269,244 to \$70,512,998. This increase is primarily a result of a reduction in outstanding general obligation bonds and revenue bonds.

The significant portions of the District's combined net assets reflect its investment in capital assets and are not available for future spending. The District's net assets invested in capital assets, net of related debt, was \$48,916,113 for 2010 and \$46,630,172 for 2009.

Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources since the capital assets themselves cannot be used to liquidate these liabilities. Long-term debt liabilities will be repaid through future property and sales taxes collections. Bond debt retirement for the year was \$5,670,000.

Property tax and unrestricted state grants account for 68 percent of the total revenue. The District's expenses primarily relate to instruction and support services that account for 80 percent of the total expenses.

The restricted portion of the District's net assets (21.5 percent for 2010 and 19.7 percent for 2009) represents resources that are subject to external restrictions in how they may be used. Restrictions for 2010 include \$10,226,439 for capital projects, \$2,372,213 for physical plant and equipment levy, \$411,361 for other special revenue purposes, \$368,207 for debt service, \$1,023,365 for management levy, and \$49,222 for other purpose restricted assets. The remaining balance of unrestricted net assets of \$6,436,948 for 2010 and \$7,361,664 for 2009 may be used to meet the government's ongoing obligations to students and creditors.

The District's total net assets increased by \$3,243,754 during the current fiscal year as compared to \$6,699,085 in 2009. The governmental activities net assets increased by \$3,255,920 in 2010 and \$6,614,905 in 2009. The increase in governmental activities net assets for 2010 was mainly attributable to fewer bonds outstanding. The business type activities (which include nutrition, community education, community preschool and daycare) decreased by \$12,166 in 2010, as compared to an increase of \$84,180 in 2009.

Governmental Activities

Revenues for governmental activities were \$66,050,972 and expenses were \$62,795,052. Net assets increased by \$3,255,920.

Figure A-4 highlights the District's revenues and expenses for the fiscal year ended June 30, 2010 and 2009. These two main components are subtracted to yield the change in net assets. This exhibit utilizes the full accrual method of accounting. Revenue is further divided into two major components: program revenue and general revenue. Program revenue is defined as charges for services and sales, operating and capital grants and contributions. General revenue includes taxes and unrestricted grants such as state foundation support.

**Johnston Community School District
Management's Discussion and Analysis
Year ended June 30, 2010**

Expenses are shown in programs including instruction, support services, non-instructional programs and other expenses.

**Figure A-4
Changes in Net Assets**

	Governmental activities		Business type activities		Total District		Total Change
	Year ended June 30,		Year ended June 30,		Year ended June 30,		June 30,
	2010	2009	2010	2009	2010	2009	2009-2010
Revenues:							
Program revenues:							
Charges for services	\$ 4,325,197	4,653,443	4,590,536	4,731,442	8,915,733	9,384,885	-5.0%
Operating grants and contributions	10,659,417	6,848,576	835,808	741,005	11,495,225	7,589,581	51.5%
General revenues:							
Local taxes	32,577,208	32,073,368	-	-	32,577,208	32,073,368	1.6%
State grants	16,880,987	20,175,159	-	-	16,880,987	20,175,159	-16.3%
Investment earnings	847,168	376,149	-	-	847,168	376,149	125.2%
Other	760,995	792,415	-	4,229	760,995	796,644	-4.5%
Total revenues	66,050,972	64,919,110	5,426,344	5,476,676	71,477,316	70,395,786	1.5%
Expenses:							
Program expenses:							
Instruction	41,075,403	38,263,152	-	-	41,075,403	38,263,152	7.3%
Support services - students & staff	4,346,593	4,002,746	-	-	4,346,593	4,002,746	8.6%
Support services - administration	5,122,778	4,781,632	-	-	5,122,778	4,781,632	7.1%
Operations and maintenance	4,912,963	4,712,151	-	-	4,912,963	4,712,151	4.3%
Transportation	2,829,785	2,302,013	-	-	2,829,785	2,302,013	22.9%
Non-instructional activities	126,953	91,567	5,438,510	5,392,496	5,565,463	5,484,063	1.5%
Other	4,380,577	4,150,944	-	-	4,380,577	4,150,944	5.5%
Total expenses	62,795,052	58,304,205	5,438,510	5,392,496	68,233,562	63,696,701	7.1%
Increase in net assets	3,255,920	6,614,905	(12,166)	84,180	3,243,754	6,699,085	-51.6%
Net assets beginning of year	64,610,218	57,995,313	2,659,026	2,574,846	67,269,244	60,570,159	11.1%
Net assets end of year	\$ 67,866,138	64,610,218	2,646,860	2,659,026	70,512,998	67,269,244	4.8%

Business Type Activities

Revenues of the District's business-type activities were \$5,426,344 and expenses were \$5,438,510. Net assets decreased \$12,166. The District's business-type activities include the School Nutrition, Daycare, Community Preschool and Community Education Funds. Revenues of these activities were comprised of charges for service, federal and state reimbursements and investment income.

Financial Analysis of the District's Funds

- The financial performance of the District as a whole is reflected in its governmental funds as well. On June 30, 2010 the District's governmental funds reported combined fund balances of \$21,064,197 as compared to the 2009 ending fund balances of \$24,276,494. Most of this decrease for year ending 2010 is due to using capital funds to complete the support facility and purchase land for a future elementary.

Governmental Fund Highlights

- The District's General Fund financial position decreased by \$339,130. The June 30, 2009 balance of \$2,982,428 decreased to \$2,643,298 on June 30, 2010. Increased cash reserve levies by the Board of Education to improve fund balances were offset by 10% reduction in state aid.
- The Debt Service Fund balance increased from \$464,230 June 30, 2009 to \$518,464 June 30, 2010.
- The Capital Projects Fund balance decreased from \$16,423,200 June 30, 2009 to \$13,630,429 June 30, 2010 as funds were used to complete construction of the support facility addition and purchase land for a future elementary site.
- The non-major special revenue funds balance decreased \$134,628 as additional funds were accumulated in the management fund and more expenses were identified and paid out of the PPEL fund.

Proprietary Fund Highlights

The School Nutrition Fund net assets increased from \$1,712,034 on June 30, 2009 to \$1,751,257 on June 30, 2010 for an increase of 2.3%.

Budgetary Highlights

In accordance with the Code of Iowa, the Board of Education annually adopts a budget following required public notice and hearing for all funds, except for internal services, private-purpose trusts and agency funds. Although the budget document presents functional area expenditures or expenses by fund, the legal level of control is at the aggregated functional level, not at the fund or fund type level. The budget may be amended during the year utilizing similar statutorily prescribed procedures. The District's budget is prepared on the accrual basis. Schedules showing the original and final budget amounts compared to the District's actual financial activity are included in the required supplementary information section of this report.

Legal Budgetary Highlights

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules – Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. In accordance with the Code of Iowa, the Board of Education annually adopts a program budget for all funds except internal service and agency funds as described in the note to required supplementary information.

A comparison of actual expenditures/expenses of the District's budgeted funds with the final program budget amounts is as follows:

	Final Budget	Actual	Variance
Instruction	\$ 46,342,507	38,949,218	7,393,289
Support services	22,897,954	17,152,059	5,745,895
Non-instructional programs	5,545,327	4,925,049	832,373
Other	27,514,082	13,675,451	13,838,631
	<u>\$ 102,299,870</u>	<u>74,701,777</u>	<u>27,810,188</u>

"Other" expenditures variance is due to construction project expenditures not meeting projected cash flows, always a difficult estimate.

Capital Asset and Debt Administration

Capital Assets

At June 30, 2010, the District had invested \$90,364,489 net of accumulated depreciation, in a broad range of capital assets, including land, buildings, athletic facilities, computers, audio-visual equipment and transportation equipment. This compares to the June 30, 2009 balance of \$89,639,646. See Figure A-5.

The original cost of the District's capital assets was \$123,188,051. Governmental funds account for \$121,232,803 with the remainder, \$1,955,248, in the Enterprise funds.

The largest change in capital asset activity during the year occurred in the construction in progress and land categories as fiscal year 2010 saw the construction of the support facility and purchase of land for a future building site.

**Johnston Community School District
Management's Discussion and Analysis
Year ended June 30, 2010**

Figure A-5 Capital Assets, Net of Depreciation							
	Governmental activities		Business type activities		Total District		Total Change
	June 30,		June 30,		June 30,		June 30,
	2010	2009	2010	2009	2010	2009	2009-2010
Land	\$ 3,536,919	2,686,521	-	-	3,536,919	2,686,521	31.7%
Construction in progress	1,329,285	393,162	-	-	1,329,285	393,162	238.1%
Buildings	78,194,196	80,275,381	-	-	78,194,196	80,275,381	-2.6%
Improvements other than buildings	4,349,078	3,465,419	-	-	4,349,078	3,465,419	25.5%
Furniture and equipment	2,195,845	2,054,604	759,166	764,559	2,955,011	2,819,163	4.8%
Total	\$ 89,605,323	88,875,087	759,166	764,559	90,364,489	89,639,646	0.8%

Additional information about the District's capital assets can be found in Note 5 in the notes to the financial statements.

Long-Term Debt

At June 30, 2010 the District had \$46,201,453 in general obligation bonds and other long-term debt outstanding. This represents a decrease of approximately 10.84 percent from June 30, 2009. (See Figure A-6) More detailed information about the District's long-term liabilities is available in Note 6 to the financial statements.

The decrease reflects normal principal reductions for bonds. This is the second year to recognize other post employment benefits. The early retirement policy for 2009 and 2010 has an increased 403B incentive with no insurance benefit.

Figure A-6 Long-term Debt Obligations			
	Total School District		Total Change
	June 30,		June 30,
	2010	2009	2009-2010
General obligation bonds	\$ 42,695,000	45,235,000	-5.6%
Revenue bonds	-	2,470,000	-100.0%
Capital loan notes	2,120,000	2,780,000	-23.7%
Early retirement	867,760	1,127,762	-23.1%
Other postemployment benefits	518,693	201,962	100.0%
Totals	\$ 46,201,453	51,814,724	-10.8%

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of several existing circumstances that could significantly affect its financial health in the future:

- The District expects continued enrollment growth during the foreseeable future. The district's enrollment growth has averaged 3.3% annually over the last 10-years. The District has seen annual certified enrollment increases from 122 to 300 students on an annual basis.
- The District has averaged 8.2% annual increase in the tax base over the past 10 years, and experienced a 4.9% increase with 2010.
- The continued slow growth in state revenues and increasing enrollments will continue to put great pressure on district finances to meet the personnel, facility and transportation needs of the District.
- The economy is also a factor that could have consequences for the district in regard to state revenues, property valuations, and enrollment with the decline in housing construction.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Jan Miller-Hook, Executive Director of Financial Services, Johnston Community School District, 5608 Merle Hay Road, Johnston, IA 50131-1234.

Basic Financial Statements

Johnston Community School District
Statement of Net Assets
June 30, 2010

	Governmental Activities	Business Type Activities	Total Primary Government
Assets			
Current Assets:			
Cash and cash equivalents:	\$ 29,965,862	2,007,567	31,973,429
Receivables:			
Property tax:			
Delinquent	242,920	-	242,920
Succeeding year	29,283,631	-	29,283,631
Accounts	71,377	38,245	109,622
Due from other governments	2,019,222	26,676	2,045,898
Inventories	49,222	108,158	157,380
Prepaid expense	2,375	-	2,375
Total current assets	61,634,609	2,180,646	63,815,255
Non-current assets:			
Bond issuance costs	15,769	-	15,769
Capital assets:			
Land	3,536,919	-	3,536,919
Improvements other than buildings	6,554,804	-	6,554,804
Buildings and improvements	104,250,283	-	104,250,283
Vehicles, furniture and equipment	5,561,512	1,955,248	7,516,760
Construction in progress	1,329,285	-	1,329,285
Accumulated depreciation	(31,627,480)	(1,196,082)	(32,823,562)
Total capital assets	89,605,323	759,166	90,364,489
Total non-current assets	89,621,092	759,166	90,380,258
Total assets	151,255,701	2,939,812	154,195,513
Liabilities			
Accounts payable	1,256,679	64,260	1,320,939
Insurance claims payable	772,380	-	772,380
Salaries and benefits payable	5,168,407	106,333	5,274,740
Accrued interest payable	150,257	-	150,257
Unearned revenue:			
Succeeding year property tax	29,283,631	-	29,283,631
Other	361,171	80,703	441,874
Capital loan notes payable	685,000	-	685,000
General obligation bonds payable	3,465,000	-	3,465,000
Early retirement payable	402,691	-	402,691
Compensated absences	142,450	14,348	156,798
Total current liabilities	41,687,666	265,644	41,953,310
Non-current liabilities:			
Capital loan notes payable	1,435,000	-	1,435,000
Bond premiums	53,135	-	53,135
General obligation bonds payable	39,230,000	-	39,230,000
Early retirement payable	465,069	-	465,069
Other post employment benefits payable	518,693	27,308	546,001
Total non-current liabilities	41,701,897	27,308	41,729,205
Total liabilities	83,389,563	292,952	83,682,515

Johnston Community School District
Statement of Net Assets
June 30, 2010

	Governmental Activities	Business Type Activities	Total Primary Government
<i>Continued from previous page</i>			
Net Assets			
Invested in capital assets, net of related debt	48,156,947	759,166	48,916,113
Restricted for:			
Categorical funding	709,130	-	709,130
Management levy	1,023,365	-	1,023,365
Debt service	368,207	-	368,207
Capital projects	10,226,439	-	10,226,439
Physical plant and equipment levy	2,372,213	-	2,372,213
Other special revenue purposes	411,361	-	411,361
Other purposes	49,222	-	49,222
Unrestricted	4,549,254	1,887,694	6,436,948
Total net assets	\$ 67,866,138	2,646,860	70,512,998

See notes to basic financial statements.

Johnston Community School District
Statement of Activities
Year ended June 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Service	Operating Grants, Contributions and Restricted Interest	Governmental Activities	Business Type Activities	Total Primary Government
Functions/Programs						
Governmental activities:						
Instruction:						
Regular	\$ 28,836,905	1,739,333	6,326,349	(20,771,223)	-	(20,771,223)
Special	7,683,517	1,704,513	2,012,884	(3,966,120)	-	(3,966,120)
Other	4,554,981	577,968	32,205	(3,944,808)	-	(3,944,808)
	41,075,403	4,021,814	8,371,438	(28,682,151)	-	(28,682,151)
Support Service:						
Student	1,596,919	-	-	(1,596,919)	-	(1,596,919)
Instructional staff	2,749,674	-	-	(2,749,674)	-	(2,749,674)
Administration	5,122,778	-	1,500	(5,121,278)	-	(5,121,278)
Operating and maintenance of plant	4,912,963	28,069	-	(4,884,894)	-	(4,884,894)
Transportation	2,829,785	275,314	98,664	(2,455,807)	-	(2,455,807)
	17,212,119	303,383	100,164	(16,808,572)	-	(16,808,572)
Non-instructional programs:						
Nutrition services	11,380	-	-	(11,380)	-	(11,380)
Community Education services	115,573	-	-	(115,573)	-	(115,573)
	126,953	-	-	(126,953)	-	(126,953)
Other expenditures:						
Other programs	272,186	-	-	(272,186)	-	(272,186)
Long-term debt interest	1,920,576	-	-	(1,920,576)	-	(1,920,576)
AEA support	2,187,815	-	2,187,815	-	-	-
	4,380,577	-	2,187,815	(2,192,762)	-	(2,192,762)
Total governmental activities	62,795,052	4,325,197	10,659,417	(47,810,438)	-	(47,810,438)
Business type activities:						
Non-instructional programs:						
Nutrition services	2,826,126	2,126,538	738,811	-	39,223	39,223
Preschool services	194,923	153,429	82,754	-	41,260	41,260
Day Care services	1,810,602	1,716,664	7,250	-	(86,688)	(86,688)
Community Education services	606,859	593,905	6,993	-	(5,961)	(5,961)
Total business type activities	5,438,510	4,590,536	835,808	-	(12,166)	(12,166)
Total primary governmental activities	\$ 68,233,562	8,915,733	11,495,225	(47,810,438)	(12,166)	(47,822,604)

Johnston Community School District
Statement of Activities
Year ended June 30, 2010

	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Operating Grants, Contributions and Restricted Interest			
	Expenses	Charges for Service		Governmental Activities	Business Type Activities	Total Primary Government
Totals continued from previous pages	\$ 68,233,562	8,915,733	11,495,225	\$ (47,810,438)	(12,166)	(47,822,604)
General Revenues:						
Property tax levied for:						
General purposes				24,158,338	-	24,158,338
Debt service				1,313,820	-	1,313,820
Capital outlay				2,822,082	-	2,822,082
Statewide sales and services tax				4,282,968	-	4,282,968
Unrestricted state grants				16,880,987	-	16,880,987
Unrestricted investment earnings				847,168	-	847,168
Other				760,995	-	760,995
Total general revenues				51,066,358	-	51,066,358
Change in net assets				3,255,920	(12,166)	3,243,754
Net assets beginning of year				64,610,218	2,659,026	67,269,244
Net assets end of year				\$ 67,866,138	2,646,860	70,512,998

See notes to basic financial statements.

Exhibit C

Johnston Community School District
Balance Sheet
Governmental Funds
June 30, 2010

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
Assets					
Cash and pooled investments	\$ 7,181,400	506,889	13,305,795	4,842,398	25,836,482
Receivables:					
Property tax:					
Current year delinquent	196,000	11,575	-	35,345	242,920
Succeeding year	24,493,821	877,677	-	3,912,133	29,283,631
Accounts	69,959	-	-	1,418	71,377
Due from other governments	1,633,540	-	385,682	-	2,019,222
Inventories	49,222	-	-	-	49,222
Prepaid expense	2,375	-	-	-	2,375
Total assets	\$ 33,626,317	1,396,141	13,691,477	8,791,294	57,505,229
Liabilities and Fund Balances					
Liabilities:					
Accounts payable	\$ 959,620	-	61,048	204,462	1,225,130
Salaries and benefits payable	5,168,407	-	-	-	5,168,407
Early retirement payable	-	-	-	402,691	402,691
Deferred revenue:					
Succeeding year property tax	24,493,821	877,677	-	3,912,133	29,283,631
Other	361,171	-	-	-	361,171
Total liabilities	30,983,019	877,677	61,048	4,519,286	36,441,030
Fund balances:					
Reserved for:					
Inventories	49,222	-	-	-	49,222
Debt service	-	518,464	-	-	518,464
State grants	709,130	-	-	-	709,130
Unreserved:					
Designated for special purposes by the Board	304,400	-	-	-	304,400
Undesignated, reported in:					
General fund	1,580,546	-	-	-	1,580,546
Capital projects fund	-	-	13,630,429	-	13,630,429
Special revenue funds:					
Management fund	-	-	-	1,488,434	1,488,434
Student activity fund	-	-	-	411,361	411,361
Physical plant and equipment fund	-	-	-	2,372,213	2,372,213
Total fund balances	2,643,298	518,464	13,630,429	4,272,008	21,064,199
Total liabilities and fund balances	\$ 33,626,317	1,396,141	13,691,477	8,791,294	57,505,229

See notes to basic financial statements.

Exhibit D

**Johnston Community School District
Reconciliation of the Balance Sheet
Governmental Funds to the Statement of Net Assets
June 30, 2010**

Total fund balances of governmental funds (Exhibit C)	\$ 21,064,199
--	----------------------

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in the governmental funds.	89,605,323
--	------------

The Internal Service Fund is used by management to charge the costs of partial self funding of the District's health insurance benefit plan to individual funds. The assets and liabilities of the Internal Service Fund are included in governmental activities in the Statement of Net Assets.	3,325,451
--	-----------

Long-term liabilities, including bonds and notes payable, compensated absences and other postemployment benefits, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Those liabilities at year-end consist of:

Capital loan notes payable	\$ (2,120,000)	
General obligation bonds payable	(42,695,000)	
Bond issuance costs	15,769	
Bond premiums	(53,135)	
Accrued interest	(150,257)	
Early retirement	(867,760)	
Portion of early retirement reflected on governmental funds	402,691	
Compensated absences	(142,450)	
Other post employment benefits	(518,693)	(46,128,835)
	<hr/>	<hr/>

Net assets of governmental activities (Exhibit A)	\$ 67,866,138
--	----------------------

See notes to basic financial statements.

Exhibit E

Johnston Community School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2010

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
Revenues:					
Local sources:					
Local tax	\$ 22,939,947	1,313,820	4,282,968	4,040,473	32,577,208
Tuition	3,137,706	-	-	-	3,137,706
Other	1,078,845	56,045	687,044	966,491	2,788,425
Intermediate sources	90,678	-	-	-	90,678
State sources	23,395,100	319	-	993	23,396,412
Federal sources	4,060,405	-	-	138	4,060,543
Total revenues	54,702,681	1,370,184	4,970,012	5,008,095	66,050,972
Expenditures:					
Current:					
Instruction:					
Regular instruction	25,946,043	-	-	474,306	26,420,349
Special instruction	7,633,325	-	-	-	7,633,325
Other instruction	3,867,480	-	-	694,943	4,562,423
	37,446,848	-	-	1,169,249	38,616,097
Support services:					
Student services	1,578,006	-	-	17,113	1,595,119
Instructional staff services	2,278,758	-	-	402,488	2,681,246
Administration services	4,960,970	3,750	260	170,510	5,135,490
Operation and maintenance of plant services	4,287,664	-	-	557,737	4,845,401
Transportation services	2,185,324	-	-	396,890	2,582,214
	15,290,722	3,750	260	1,544,738	16,839,470
Non-instructional programs:					
Food services	-	-	-	13,764	13,764
Community service and education	116,426	-	-	2,059	118,485
	116,426	-	-	15,823	132,249
Capital outlay:					
Other expenditures	-	-	2,189,291	1,675,836	3,865,127
Debt Service:					
Other expenditures:					
Principal	-	5,670,000	-	-	5,670,000
Interest	-	1,952,509	-	-	1,952,509
	-	7,622,509	-	-	7,622,509
Intergovernmental:					
Other expenditures	2,187,815	-	-	-	2,187,815
Total expenditures	55,041,811	7,626,259	2,189,551	4,405,646	69,263,267
Excess (deficiency) of revenues over (under) expenditures	(339,130)	(6,256,075)	2,780,461	602,449	(3,212,295)

Exhibit E

Johnston Community School District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2010

	General	Debt Service	Capital Projects	Non-major Special Revenue	Total
<i>Continued from previous page</i>					
Other financing sources (uses):					
Transfers in	-	6,310,309	-	-	6,310,309
Transfers out	-	-	(5,573,232)	(737,077)	(6,310,309)
Total other financing sources (uses)	-	6,310,309	(5,573,232)	(737,077)	-
Net change in fund balances	(339,130)	54,234	(2,792,771)	(134,628)	(3,212,295)
Fund balances beginning of year	2,982,428	464,230	16,423,200	4,406,636	24,276,494
Fund balances end of year	\$ 2,643,298	518,464	13,630,429	4,272,008	21,064,199

See notes to basic financial statements.

Johnston Community School District
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds to the Statement of Activities
Year ended June 30, 2010

Net change in fund balances - total governmental funds (Exhibit E) **\$ (3,212,295)**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays to purchase or build capital assets are reported in governmental funds as expenditures. However, those costs are reported in the Statement of Net Assets and are allocated over their estimated useful lives as depreciation expense in the Statement of Activities. The amounts of capital outlays and depreciation expense in the year are as follows:

Capital outlays:

From facilities acquisition	3,592,941	
Less current year depreciation	<u>(2,862,705)</u>	730,236

Proceeds from issuing long-term liabilities provide current financial resources to governmental funds, but increases long-term liabilities in the Statement of Net Assets. Repayment of long-term debt liabilities is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets. Also, governmental funds report the effect of issuance costs and premiums, whereas these amounts are deferred in and amortized in the Statement of Activities.

Current year items are as follows:

Repayments of bond and note principal	5,670,000	
Amortization of premiums and bond issuance costs	<u>3,736</u>	5,673,736

Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when due. In the Statement of Activities, interest expense is recognized as the interest accrues, regardless of when it is due.

28,197

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Early retirement	206,170	
Compensated absences	(17,283)	
Other postemployment benefits	<u>(316,731)</u>	(127,844)

The Internal Service Fund is used by management to charge the costs of employee health benefits to individual funds. The change in net assets of the Internal Service Fund is reported with governmental activities.

163,890

Change in net assets of governmental activities (Exhibit B) **\$ 3,255,920**

See notes to basic financial statements.

Exhibit G

Johnston Community School District
Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business Type Activities Non-major Enterprise Funds	Governmental Activities Internal Service Fund
Assets		
Current assets:		
Cash and cash equivalents	\$ 2,007,567	4,129,380
Receivables:		
Accounts	38,245	-
Due from other governments	26,676	-
Inventories	108,158	-
Total current assets	2,180,646	4,129,380
Non-current assets:		
Property and equipment:		
Machinery and equipment	1,955,248	-
Accumulated depreciation	(1,196,082)	-
Total non-current assets	759,166	-
Total assets	2,939,812	4,129,380
Liabilities		
Current liabilities:		
Accounts payable	64,260	31,549
Insurance claims liability	-	772,380
Accrued salaries and benefits payable	106,333	-
Unearned revenues	80,703	-
Compensated absences payable	14,348	-
Total current liabilities	265,644	803,929
Non-current liabilities:		
Other postemployment benefits payable	27,308	-
Total liabilities	292,952	803,929
Net Assets		
Invested in capital assets	759,166	-
Unrestricted	1,887,694	3,325,451
Total net assets	\$ 2,646,860	3,325,451

See notes to basic financial statements.

Exhibit H

Johnston Community School District
Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
Year ended June 30, 2010

	Business Type Activities Non-major Enterprise Funds	Governmental Activities Internal Service Fund
Operating revenue:		
Local sources:		
Operating revenues	\$ 4,590,536	6,665,689
Operating expenses:		
Instructional programs:		
Instruction services:		
Depreciation	552	-
Other	332,569	-
	333,121	-
Support services:		
Other	312,589	6,501,799
Non-instructional programs:		
Food service operations:		
Depreciation	116,229	-
Other	2,556,937	-
	2,673,166	-
Community service operations:		
Depreciation	7,058	-
Other	2,112,576	-
	2,119,634	-
Total operating expenses	5,438,510	6,501,799
Operating income (loss)	(847,974)	163,890
Non-operating revenues:		
State sources	106,302	-
Federal sources	719,763	-
Contributions	9,743	-
Total non-operating revenues	835,808	-
Changes in net assets	(12,166)	163,890
Net assets beginning of year	2,659,026	3,161,561
Net assets end of year	\$ 2,646,860	3,325,451

See notes to basic financial statements.

Exhibit I

Johnston Community School District
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2010

	Business Type Activities Non-major Enterprise Funds	Governmental Activities Internal Service Fund
Cash flows from operating activities:		
Cash received from sale of lunches and breakfasts	\$ 2,127,782	-
Cash received from community services	2,447,958	6,673,104
Cash payments to employees for services	(3,144,650)	(6,225,978)
Cash payments to suppliers for goods or services	(1,893,275)	(39,726)
Net cash provided (used) by operating activities	(462,185)	407,400
Cash flows from non-capital financing activities:		
Operating contributions	9,743	-
State grants received	106,302	-
Federal grants received	510,992	-
Net cash provided by non-capital financing activities	627,037	-
Cash flows from capital and related financing activities:		
Acquisition of capital assets	(118,447)	-
Net cash used by capital and related financing activities	(118,447)	-
Net increase in cash and cash equivalents	46,405	407,400
Cash and cash equivalents at beginning of year	1,961,162	3,721,980
Cash and cash equivalents at end of year	\$ 2,007,567	4,129,380
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	\$ (847,974)	163,890
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Commodities used	212,771	-
Depreciation	123,839	-
Decrease (increase) in accounts receivable	(19,559)	7,415
(Increase) in due from other governments	(11,053)	-
Decrease in inventories	29,845	-
Increase in accounts payable	2,313	25,809
Increase in insurance claims payable	-	210,286
Increase in salaries and benefits payable	22,547	-
Increase in unearned revenue	15,816	-
(Decrease) in compensated absences payable	(5,000)	-
Increase in other postemployment benefits payable	14,270	-
Net cash provided (used) by operating activities	\$ (462,185)	407,400

Exhibit I

**Johnston Community School District
Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2010**

Business Type Activities	Governmental Activities
Non-major Enterprise Funds	Internal Service Fund

Continued from previous page

**Reconciliation of cash and cash equivalents at year end to
specific assets included on Combined Balance Sheet:**

Current assets:

Cash and investments	\$ 2,007,567	4,129,380
Cash and cash equivalents at year end	<u>\$ 2,007,567</u>	<u>4,129,380</u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2010, the District received federal commodities valued at \$212,771.

See notes to basic financial statements.

(1) **Summary of Significant Accounting Policies**

The Johnston Community School District is a political subdivision of the State of Iowa and operates public schools for children in grades kindergarten through twelve. Additionally, the District either operates or sponsors various adult education programs. These courses include remedial education as well as vocational and recreational courses. The geographic area served includes the city of Johnston, Iowa; portions of Urbandale, Des Moines, Granger and Grimes, Iowa; and other unincorporated areas of Polk County. The District is governed by a Board of Education whose members are elected on a non-partisan basis.

The District's financial statements are prepared in conformity with U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board.

A. Reporting Entity

For financial reporting purposes, Johnston Community School District has included all funds, organizations, agencies, boards, commissions and authorities. The District has also considered all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the District's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body, and (1) the ability of the District to impose its will on that organization or (2) the potential for the organization to provide specific benefits to, or impose specific financial burdens on the District. Johnston Community School District has no component units which meet the Governmental Accounting Standards Board criteria.

Jointly Governed Organizations - The District participates in a jointly governed organization that provides services to the District but does not meet the criteria of a joint venture since there is no ongoing financial interest or responsibility by the participating governments. The District is a member of the Polk County Assessor's Conference Board.

B. Basis of Presentation

Government-wide Financial Statements - The Statement of Net Assets and the Statement of Activities report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Interfund services provided and used are not eliminated in the process of consolidation. Governmental activities, which normally are supported by tax and intergovernmental revenues, are reported separately from business type activities, which rely to a significant extent on fees and charges for service.

The Statement of Net Assets presents the District's assets and liabilities, with the difference reported as net assets. Net assets are reported in three categories:

Invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net assets result when constraints placed on net asset use are either externally imposed or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net assets consist of net assets that do not meet the definition of the two preceding categories. Unrestricted net assets often have constraints on resources that are imposed by management, but can be removed or modified.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants, contributions and interest that are restricted to meeting the operational or capital requirements of a particular function. Property tax and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements - Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds are reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as other non-major governmental funds.

Fund accounting - The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts which comprise its assets, liabilities, reserves, fund balance/net assets, revenues and expenditures or expenses, as appropriate. The District has the following funds:

Governmental Fund Types: Governmental fund types are those funds through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

General Fund: The General Fund is the general operating fund of the District. All general tax revenues and other revenues that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. From the fund are paid the general operating expenditures, including instructional, support and other costs.

Debt Service Fund: The Debt Service Fund is utilized to account for the payment of interest and principal on the District's general long-term debt.

Capital Projects Fund: The Capital Projects Fund is used to account for all resources used in the acquisition and construction of capital facilities.

The other governmental funds of the District are considered non-major and are as follows:

Special Revenue Funds: The Special Revenue Funds account for the revenue sources that are legally restricted to expenditures for specific purposes. These funds consist of the following:

Student Activity Funds: This fund accounts for transactions that occur due to student-related activities from groups and organizations such as athletic and activity events, fundraising and other extra-curricular or co-curricular activities.

Management Fund: This fund is authorized by Iowa Code Section 298.4 and accounts for transactions related to unemployment, early retirement, judgments and settlements and the cost of liability insurance as it relates to property and casualty.

Physical Plant and Equipment Levy (PEEL) Fund: This fund is authorized by Iowa Code 298.2 and accounts for transactions related to the improvement of facilities and grounds, construction of school houses, certain equipment expenditures and other expenditures authorized in Iowa Code 298.3.

Proprietary Fund Types: Proprietary fund types are used to account for the District's ongoing organizations and activities which are similar to those often found in the private sector. The measurement focus is upon income determination, financial position and cash flows. The following are the District's proprietary funds:

Enterprise Funds: Enterprise funds are used to account for those operations that are financed and operated in a manner similar to private business or where the District has decided that the determination of revenues earned, costs incurred and/or net income is necessary for management accountability. In accordance with Governmental Accounting Standards Board (GASB) Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting*, the District has elected to apply all applicable Financial Accounting Standards Board (FASB) pronouncements, issued on or before November 30, 1989, except for those pronouncements which conflict with or contradict GASB pronouncements.

The following enterprise funds of the District are considered non-major:

School Nutrition Fund: This fund accounts for transactions related to the school lunch, breakfast and summer food programs authorized by Iowa Code 283A.

Child Care Fund: This fund accounts for transactions for before and after school child care and summer child care programs authorized by Iowa Code 298A.12 and 279.49.

Preschool Fund: This fund accounts for transactions for preschool programs with an instructional component for children who have not yet met the age requirement for school-aged education.

Community Education Fund: This fund accounts for transactions for facilities and services to provide further education opportunities to the local area.

Internal Service Funds: The internal service funds are used to account for goods or services provided by one department to other departments of the District on a cost reimbursement basis. The District has the following internal service funds:

Self-Insurance Fund: This fund accounts for transactions for self-insured health insurances including medical, dental, prescription and vision received by District employees in which the District is responsible for paying all claims and administrative costs attributable to the insurances listed above.

Flexible Benefits: This fund accounts for transactions for certain benefits available to District employees in which the District is responsible for paying all premiums or costs specified by the employee.

C. Measurement Focus and Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property tax is recognized as revenue in the year for which it is levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been satisfied.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days after year end.

Property tax, intergovernmental revenues (shared revenues, grants and reimbursements from other governments) and interest associated with the current fiscal period are all considered to be susceptible to accrual. All other revenue items are considered to be measurable and available only when cash is received by the District.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, principal and interest on long-term debt, claims and judgments, and compensated absences are recognized as expenditures only when payment is due. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, and then general revenues.

The proprietary fund of the District applies all applicable GASB pronouncements as well as the following pronouncements issued on or before November 30, 1989, unless these pronouncements conflict with or contradict GASB pronouncements: Financial Accounting Standards Board Statements and Interpretations, Accounting Principles Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedure.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

The District maintains its financial records on the cash basis. The financial statements of the District are prepared by making memorandum adjusting entries to the cash basis financial records.

D. Assets, Liabilities and Fund Equity

The following accounting policies are followed in preparing the financial statements:

Cash, Pooled Investments and Cash Equivalents – The District maintains a cash and investment pool used by all funds. The cash and investment pool has the same characteristics as demand deposits. Each fund type's portion of this pool is displayed in the financial statements as cash and cash equivalents in that fund. The District utilizes a financial institution to service bonded debt as principal and interest payments come due. The monies are either maintained in a central bank account or used to purchase legal investments.

It is the policy of the District to value investment contracts and money market investments with a maturity of one year or less at the time of purchase at cost or amortized cost. Investment contracts and money market investments that had a remaining maturity of greater than one year at the time of purchase are reported at fair value.

The District has invested funds in the Iowa Schools Joint Investment Trust (ISJIT). ISJIT is an investment pool managed by the trustee, Bankers Trust, which allows governments within the State to pool their funds for investment purposes. ISJIT is registered with the SEC as an investment company and operates in a manner consistent with Rule 2a-7 of the Investment Company Act of 1940. Investments in ISJIT are valued at an amortized cost pursuant to Rule 2a-7 under the Investment Company Act of 1940.

For purposes of the statement of cash flows, all short-term cash investments that are highly liquid are considered to be cash equivalents. Cash equivalents are readily convertible to known amounts of cash and, at the day of purchase, have a maturity date no longer than three months.

Property Tax Receivable – Property tax in the governmental funds are accounted for using the modified accrual basis of accounting.

Property tax receivable is recognized in these funds on the levy or lien date, which is the date that the tax asking is certified by the Board of Education. Delinquent property tax receivable represents unpaid taxes for the current and prior years. The succeeding year property tax receivable represents taxes certified by the Board of Education to be collected in the next fiscal year for the purposes set out in the budget for the next fiscal year. By statute, the District is required to certify its budget in April of each year for the subsequent fiscal year. However, by statute, the tax asking and budget certification for the following fiscal year becomes effective on the first day of that year. Although the succeeding year property tax receivable has been recorded, the related revenue is deferred in both the Government-wide and fund financial statements and will not be recognized as revenue until the year for which it is levied.

Property tax revenue recognized in these funds become due and collectible in September and March of the fiscal year with a 1½% per month penalty for delinquent payments; is based on January 1, 2008 assessed property valuations; is for the tax accrual period July 1, 2009 through June 30, 2010 and reflects the tax asking contained in the budget certified to the County Board of Supervisors in April, 2009.

Due from Other Governments – Due from other governments represents amounts due from the State of Iowa, various shared revenues, grants and reimbursements from other governments. Federal and state grants are recorded as receivables and the revenue is recognized during the period in which the District fulfills the requirements for receiving the grant awards in the government-wide statements. In the governmental fund statements, the revenue must meet the measurable and available

criteria. Amounts received for which legal claims or applicable requirements have not been met are recorded as deferred revenue. Certain intergovernmental revenues have been included to spend such funds only for the purpose reported.

Inventories – Inventories are valued at cost using the first-in, first-out method for purchased items and government commodities. Inventories of proprietary funds are recorded as expenses when consumed rather than when purchased or received.

Prepaid Items – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

Capital Assets – Capital assets, which include property, furniture, and equipment, are reported in the applicable governmental or business type activities columns in the government-wide Statement of Net Assets. Capital assets are recorded at historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Capital assets are defined by the District as assets with an initial, individual cost in excess of the following thresholds and estimated useful lives in excess of two years.

<u>Asset Class</u>	<u>Amount</u>
Land	\$ 3,500
Buildings	3,500
Improvements other than buildings	3,500
Furniture and equipment:	
School Nutrition Fund equipment	500
Other furniture and equipment	3,500

Capital assets (with the exception of land and construction in progress, which are not depreciated) are depreciated using the straight line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives (In Years)</u>
Buildings	50 years
Improvements other than buildings	20-50 years
Furniture and equipment	5-15 years

Interfund Activity - Transfers between governmental and business type activities on the government-wide statements are reported in the same manner as general revenues. Sales of goods and services between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in proprietary funds.

Salaries and Benefits Payable - Payroll and related expenditures for teachers with annual contracts corresponding to the current school year, which are payable in July and August, have been accrued as liabilities.

Deferred and Unearned Revenue - Although certain revenues are measurable, they are not available. Available means collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred in the governmental fund financial statements represent the amount of assets that have been recognized, but the related revenue has not been recognized since the assets are not collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period. Deferred revenue consists of the succeeding year's property tax receivable and unspent grant proceeds.

Unearned revenue on the Statement of Net Assets consists of the succeeding year's property tax receivable that will not be recognized as revenue until the year for which it is levied and unearned grant proceeds.

Compensated Absences – District employees accumulate a limited amount of earned but unused vacation for subsequent use or for payment upon termination, death or retirement. A liability is recorded when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental fund financial statements only for employees that have resigned or retired. The compensated absences liability has been computed based on rates of pay in effect at June 30, 2010. The compensated absences liability attributable to the governmental activities will be paid primarily by the General Fund.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column in the Statement of Net Assets.

Fund Equity – In the governmental fund financial statements, reservations of fund balance are reported for amounts not available for appropriation or legally restricted by outside parties for use for a specific purpose.

Restricted Net Assets – In the government-wide Statement of Net Assets, net assets are reported as restricted when constraints placed on net asset use are either externally imposed by creditors, grantors, contributors or laws and regulations of other governments or imposed by law through constitutional provisions or enabling legislation.

E. Budgets and Budgetary Accounting

As allowed by GASB Statement No. 41, *Budgetary Comparison Schedules - Perspective Differences*, the District presents budgetary comparison schedules as required supplementary information based on the program structure of four functional areas as required by state statute for its legally adopted budget. During the year ended June 30, 2010, expenditures did not exceed the amounts budgeted.

(2) **Cash and Pooled Investments**

The District's deposits in banks at June 30, 2010 were entirely covered by federal depository insurance or by the State Sinking Fund in accordance with Chapter 12C of the Code of Iowa. This chapter provides for additional assessments against the depositories to insure there will be no loss of public funds.

The District is authorized by statute to invest public funds in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education; prime eligible bankers acceptances; certain high rated commercial paper; perfected repurchase agreements; certain registered open-end management investment companies; certain joint investment trusts; and warrants or improvement certificates of a drainage district.

At June 30, 2010, the District had investments in the following:

Iowa Schools Joint Investment Trust	
Flex CD	\$ 3,095,765
Diversified Portfolio	14,805
IPASeducation Program:	
Institutional Money Market	2,003,399
Bank Of The West - CD	5,954,982
Wells Fargo Bank Money Market	16,663,413
	<u>\$ 27,732,364</u>

Interest rate risk. As a means of limiting exposure to fair value losses arising from rising interest rates, the District's investment policy requires operating funds to be invested in investments that mature within three hundred and ninety-seven days or less. When investing other than operating funds, the investments must mature according to the needs of the funds. Operating funds of the District are funds which are reasonably expected to be used during a current budget year or within fifteen months of receipt.

Credit risk. The investments in the Iowa Schools Joint Investment Trust and the IPASeducation program were both rated Aaa by Moody's Investors Service. The fair value of the District's position in these programs is the same as the value of the program shares. The investments in Banker's Trust are primarily invested in U.S. Treasury securities. The District is authorized by statute to invest public funds not currently needed for operating expenses in obligations of the United States government, its agencies and instrumentalities; certificates of deposit or other evidences of deposit at federally insured depository institutions approved by the Board of Education and the Treasurer of the State of Iowa, and certain joint investment trusts. The District may also invest in commercial paper or other short-term corporate debt that matures with two hundred seventy days that is rated in the highest classification, as established by at least one of the standard rating services approved by the superintendent of banking by rules adopted pursuant to Chapter 17A, provided that at the time of purchase no more than five percent of the investment portfolio shall be invested in the securities of a single issuer.

(3) Due from Other Governments

The detail of due from other governments for the year ended June 30, 2010 is as follows:

Due from other districts	\$ 1,185,594
Due from the State of Iowa - Local sources	385,682
Due from the State of Iowa - State sources	114,936
Due from the State of Iowa - Federal sources	359,686
	<u>\$ 2,045,898</u>

(4) Interfund Transfers

The detail of interfund transfers for the year ended June 30, 2010 is as follows:

Transfer to	Transfer from	Amount
Debt Service Fund	Special Revenue Fund - Physical Plant and Equipment Levy	\$ 737,077
Debt Service Fund	Capital Projects Fund	5,573,232
		<u>\$ 6,310,309</u>

Transfers generally move revenues from the fund statutorily required to collect the resources to the fund statutorily required to expend the resources.

Johnston Community School District
Notes to Financial Statements
Year ended June 30, 2010

(5) Capital Assets

Capital assets activity for the year ended June 30, 2010 is as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,686,521	850,398		3,536,919
Construction in progress	393,162	973,376	37,253	1,329,285
Total capital assets not being depreciated	3,079,683	1,823,774	37,253	4,866,204
Capital assets being depreciated:				
Buildings	104,250,283	-	-	104,250,283
Improvements other than buildings	5,413,157	1,141,647	-	6,554,804
Furniture and equipment	6,325,531	664,773	1,428,792	5,561,512
Total capital assets being depreciated	115,988,971	1,806,420	1,428,792	116,366,599
Less accumulated depreciation for:				
Buildings	23,974,902	2,081,185	-	26,056,087
Improvements other than buildings	1,947,738	257,988	-	2,205,726
Furniture and equipment	4,270,927	523,532	1,428,792	3,365,667
Total accumulated depreciation	30,193,567	2,862,705	1,428,792	31,627,480
Total capital assets being depreciated, net	85,795,404	(1,056,285)	-	84,739,119
Governmental activities capital assets, net	\$ 88,875,087	767,489	37,253	89,605,323
Business type activities:				
Furniture and equipment	\$ 1,836,801	118,447	-	1,955,248
Less accumulated depreciation	1,072,243	123,839	-	1,196,082
Business-type activities capital assets, net	\$ 764,558	(5,392)	-	759,166

Depreciation expense was charged by the District as follows:

Governmental activities:

Instruction:

Regular	\$ 2,422,344
Other	1,230

Support services:

Instructional staff services	61,411
Administration	61,007
Operation and maintenance of plant	59,076
Transportation	257,637

Total depreciation expense - governmental activities	<u>\$ 2,862,705</u>
--	---------------------

Business type activities:

Food services	\$ 116,229
Community Daycare	4,917
Community Preschool	552
Community Education	2,141
	<u>\$ 123,839</u>

Johnston Community School District
Notes to Financial Statements
Year ended June 30, 2010

(6) Long-Term Liabilities

Changes in long-term liabilities for the year ended June 30, 2010 are summarized as follows:

	Balance Beginning of Year	Additions	Reductions	Balance End of Year	Due Within One Year
Governmental activities:					
General obligation bonds	\$ 45,235,000	-	2,540,000	42,695,000	3,465,000
Revenue bonds	2,470,000	-	2,470,000	-	-
Capital loan notes	2,780,000	-	660,000	2,120,000	685,000
Early retirement	1,127,762	-	260,002	867,760	402,691
Other post employment benefits	201,962	316,731	-	518,693	-
Total	\$ 51,814,724	316,731	5,930,002	46,201,453	4,552,691
Business type activities:					
Other post employment benefits	\$ 13,038	14,270	-	27,308	-

General Obligation Bonds Payable

Details of the District's June 30, 2010 general obligation bonded indebtedness are as follows:

Refunding Bond Issue of April 1, 2003				
Year ended June 30,	Rates	Principal	Interest	Total
2011	3.00%	\$ 825,000	52,270	877,270
2012	3.20%	860,000	27,520	887,520
Subtotal		1,685,000	79,790	1,764,790

Bond Issue of February 1, 2006				
Year ended June 30,	Rates	Principal	Interest	Total
2011	3.750%	915,000	1,084,768	1,999,768
2012	3.750%	970,000	1,050,456	2,020,456
2013	4.000%	1,585,000	1,014,082	2,599,082
2014	5.000%	1,700,000	950,681	2,650,681
2015	4.500%	1,815,000	865,681	2,680,681
2016	4.000%	3,190,000	784,006	3,974,006
2017	4.000%	3,700,000	656,406	4,356,406
2018	4.100%	3,875,000	508,406	4,383,406
2019	4.250%	4,075,000	349,531	4,424,531
2020	4.125%	4,275,000	176,344	4,451,344
Subtotal		26,100,000	7,440,361	33,540,361

Bond Issue of May 1, 2006				
Year ended June 30,	Rates	Principal	Interest	Total
2011	4.0%	1,040,000	268,800	1,308,800
2012	4.0%	1,065,000	227,200	1,292,200
2013	4.0%	1,430,000	184,600	1,614,600
2014	4.0%	1,450,000	127,400	1,577,400
2015	4.0%	1,480,000	69,400	1,549,400
2016	4.0%	255,000	10,200	265,200
Subtotal		6,720,000	887,600	7,607,600

Johnston Community School District
Notes to Financial Statements
Year ended June 30, 2010

(6) Long-Term Liabilities (continued from previous page)
General Obligation Bonds Payable (continued from previous page)

Bond Issue of August 1, 2007				
Year ended June 30,	Rates	Principal	Interest	Total
2011	3.750%	685,000	338,720	1,023,720
2012	3.750%	705,000	309,608	1,014,608
2013	3.750%	735,000	279,646	1,014,646
2014	4.000%	765,000	248,408	1,013,408
2015	5.000%	800,000	215,896	1,015,896
2016	4.500%	825,000	181,896	1,006,896
2017	4.000%	860,000	148,896	1,008,896
2018	4.000%	900,000	114,496	1,014,496
2019	4.100%	940,000	78,046	1,018,046
2020	4.250%	975,000	38,976	1,013,976
Subtotal		8,190,000	1,954,588	10,144,588

Totals			
Year ended June 30,	Principal	Interest	Total
2011	3,465,000	1,744,558	5,209,558
2012	3,600,000	1,614,784	5,214,784
2013	3,750,000	1,478,328	5,228,328
2014	3,915,000	1,326,489	5,241,489
2015	4,095,000	1,150,977	5,245,977
2016	4,270,000	976,102	5,246,102
2017	4,560,000	805,302	5,365,302
2018	4,775,000	622,902	5,397,902
2019	5,015,000	427,577	5,442,577
2020	5,250,000	215,320	5,465,320
Total	\$ 42,695,000	10,362,339	53,057,339

Capital Loan Notes Payable

Details of the District's June 30, 2010 capital loan note indebtedness is as follows:

Capital Loan Note of June 1, 2003				
Year ended June 30,	Rates	Principal	Interest	Total
2011	2.650%	\$ 685,000	58,527	743,527
2012	2.750%	705,000	40,375	745,375
2013	2.875%	730,000	20,988	750,988
Total		\$ 2,120,000	119,890	2,239,890

At the school election held on September 10, 2002, a special proposition authorizing the levy of tax not exceeding one dollar and thirty-four cents per one hundred thousand dollars of assessed value was adopted and approved by the electors. In order to make the proceeds of this voted tax immediately available, the Board of Directors, pursuant to Iowa Code section 297.36, authorized the sale of \$6,500,000 of capital loan notes.

Early Retirement

The District offers a voluntary early retirement plan to its employees. Eligible employees must have completed at least ten years of full-time service within the prior 12 consecutive years to the District and must have reached the age of fifty-five on or before June 30 in the calendar year in which early retirement commences. The application for early retirement is subject to approval by the Board of Education. No more than ten employees will be allowed to retire in any given year with priority given to employees with the longest tenure of service.

Early retirement benefits are equal to 50% of the average of the employee's highest three year's contractual salary in the twelve years prior to retirement plus accumulated sick leave cash-out.

Early retirement cash benefit amounts are placed in a State RIC 403(b) plan as directed by the employee in the July immediately following retirement.

At June 30, 2010, the District had obligations to 42 participants with a total liability of \$867,760. Actual early retirement expenditures for the year ended June 30, 2010 totaled \$260,002.

This long-term liability is generally liquidated with funds from the Non-major Special Revenue Fund – Management Levy.

(7) Pension and Retirement Benefits

The District contributes to the Iowa Public Employees Retirement System (IPERS) which is a cost-sharing multiple-employer defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. IPERS issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained by writing to IPERS, P.O. Box 9117, Des Moines, Iowa, 50306-9117.

Plan members are required to contribute 4.30% of their annual covered salary and the District is required to contribute 6.65% of annual covered salary. Contribution requirements are established by state statute. The District's contribution to IPERS for the years ended June 30, 2010, 2009 and 2008 were \$2,436,231, \$2,207,205, and \$1,886,008, respectively, equal to the required contributions for each year.

(8) Other Post-Employment Benefits (OPEB)

Plan Description - The District operates a single-employer retiree benefit plan which provides medical and prescription drug benefits for retirees and their spouses. There are 669 active and 43 retired members in the plan. Participants must be age 55 or older at retirement and must have been employed full time by the District for a minimum of 10 years within the 12 consecutive years prior to the retirement year.

The medical/prescription drug coverage is provided through a self-funded insurance program administered by a third party administrator. Retirees under age 65 pay the same premium for the medical/prescription drug benefit as active employees, which results in an implicit subsidy and an OPEB liability.

Funding Policy - The contribution requirements of plan members are established and may be amended by the District. The District currently finances the retiree benefit plan on a pay-as-you-go basis.

Annual OPEB Cost and Net OPEB Obligation - The District's annual OPEB cost is calculated based on the annual required contribution (ARC) of the District, an amount actuarially determined in accordance with GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years.

Johnston Community School District
Notes to Financial Statements
Year ended June 30, 2010

The following table shows the components of the District's annual OPEB cost for the year ended June 30, 2010, the amount actually contributed to the plan and changes in the District's net OPEB obligation:

Annual required contribution	\$ 732,000
Interest on net OPEB obligation	10,000
Adjustment to annual required contribution	(8,000)
Annual OPEB cost	734,000
Contributions made	(402,999)
Increase in net OPEB obligation	331,001
Net OPEB obligation beginning of year	215,000
Net OPEB obligation end of year	\$ 546,001

For calculation of the net OPEB obligation, the actuary has set the transition day as July 1, 2009. The end of year net OPEB obligation was calculated by the actuary as the cumulative difference between the actuarially determined funding requirements and the actual contributions for the year ended June 30, 2010.

For the year ended June 30, 2010, the District contributed \$403,000. Retiree and active members receiving benefits contributed \$829,020 through their required contribution of \$1, \$2, \$471, or \$573 per month, depending on which union the employee belongs to and whether single or family coverage is elected.

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation as of June 30, 2010 are summarized as follows:

Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2010	\$ 734,000	54.90%	546,001

Funded Status and Funding Progress - As of July 1, 2009, the most recent actuarial valuation date for the period July 1, 2009 through June 30, 2010, the actuarial accrued liability was \$5.2 million, with no actuarial value of assets, resulting in an unfunded actuarial accrued liability (UAAL) of \$5.2 million. The covered payroll (annual payroll of active employees covered by the plan) was \$31,542,587, and the ratio of the UAAL to covered payroll was 16.5%. As of June 30, 2010, there were no trust fund assets.

Actuarial Methods and Assumptions - Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality and the health care cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The Schedule of Funding Progress, presented as required supplementary information in the section following the Notes to Financial Statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the plan as understood by the employer and the plan members and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

As of the July 1, 2009 actuarial valuation date, the projected unit credit actuarial cost method was used. The actuarial assumption includes a 4.5% discount rate based on the District's funding policy. The projected annual medical trend rate is 11%. The ultimate medical trend rate is 3.5%. The medical trend rate is reduced 0.5% each year until reaching the 3.5% ultimate trend rate.

Mortality rates are from the RP2000 Group Annuity Mortality Table, applied on a gender-specific basis. Annual retirement and termination probabilities were developed from the retirement probabilities and applying the termination factors used in the IPERS Actuarial Report as of June 30, 2007.

Projected claim costs of the medical plan are \$765 per month for retirees less than age 65 and \$515 per month for retirees who have attained age 65. The salary increase rate was assumed to be 3.5% per year. The UAAL is being amortized as a level percentage of projected payroll expense on an open basis over 30 years.

(9) Risk Management

Johnston Community School District is exposed to various risks of loss related to torts; theft; damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. These risks are covered by the purchase of commercial insurance. The District assumes liability for any deductibles and claims in excess of coverage limitations. During the year ended June 30, 2010, there were no significant reductions in coverage. In addition, over the past three fiscal years, settlement amounts did not exceed insurance coverage.

In addition to the above, the District operates a partially self-funded insurance program administered by a third party administrator for its employees' and eligible dependents' medical benefits. The program is supplemented by stop loss protection, which limits the District's liability to \$50,000 per individual medical claim or an aggregate limit of 125% during the period July 1, 2005 through June 30, 2010.

The District operates a totally self-funded insurance program administered by a third party administrator for its employees' and eligible dependents' dental benefits. The program liability is limited to \$1,000 per individual per year.

Both plans receive an annual actuarial opinion and an annual report is filed with the State of Iowa Insurance Division. The insurance claims liability of \$772,380 reported at June 30, 2010 is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported.

The District operates a Section 125/Flex Plan whereby employee contributions are made through payroll deduction and eligible expenses are reimbursed on a weekly basis.

The above plans are reported in the Internal Services Fund.

(10) Area Education Agency

The District is required by the Code of Iowa to budget for its share of special education support, media and educational services provided through the area education agency. The District's actual amount for this purpose totaled \$2,187,815 for the year ended June 30, 2010 and is recorded in the General Fund by making a memorandum adjusting entry to the financial statements.

(11) Construction Commitment

The District has entered into contracts totaling \$1,442,080 for the construction of a new warehouse and a remodeling project. As of June 30, 2010, costs of \$1,329,285 had been incurred against the contracts. The balance of \$112,795 remaining at June 30, 2010 will be paid as work on the project progresses.

Project	Contract Amount	Costs through June 30, 2010
Warehouse	\$ 1,385,850	1,327,299
ARC vestibule	56,230	1,986
	<u>\$ 1,442,080</u>	<u>1,329,285</u>

Required Supplementary Information

Johnston Community School District
Schedule of Funding Progress for the Retiree Health Plan
Year ended June 30, 2010

Year Ended June 30,	Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
2009	July 1, 2008	\$ -	\$ 6,095,000	\$ 6,095,000	0.0%	\$ 28,576,000	21.3%
2010	July 1, 2009	\$ -	\$ 5,200,000	\$ 5,200,000	0.0%	\$ 31,542,587	16.5%

See Note 8 in the accompanying Notes to Financial Statements for the plan description, funding policy, annual OPEB cost, net OPEB obligation, funded status and funding progress.

Johnston Community School District
Budgetary Comparison Schedule of Revenues, Expenditures, and Changes in Balances
Budget and Actual - All Governmental Funds and Proprietary Funds
Required Supplementary Information
Year ended June 30, 2010

	Governmental Funds Actual	Proprietary Funds Actual	Total Actual	Budgeted Amounts Original and Final	Final to Actual Variance- Positive (Negative)
Revenues:					
Local sources	\$ 38,503,339	4,600,279	43,103,618	45,788,037	(2,684,419)
Intermediate sources	90,678	-	90,678	85,000	5,678
State sources	23,396,412	106,302	23,502,714	28,674,022	(5,171,308)
Federal sources	4,060,543	719,763	4,780,306	1,429,650	3,350,656
Total revenues	66,050,972	5,426,344	71,477,316	75,976,709	(4,499,393)
Expenditures:					
Instruction	38,616,097	333,121	38,949,218	46,342,507	7,393,289
Support services	16,839,470	312,589	17,152,059	22,897,954	5,745,895
Noninstructional programs	132,249	4,792,800	4,925,049	5,545,327	620,278
Other expenditures	13,675,451	-	13,675,451	27,514,082	13,838,631
Total expenditures	69,263,267	5,438,510	74,701,777	102,299,870	27,598,093
Deficiency of revenues under expenditures	(3,212,295)	(12,166)	(3,224,461)	(26,323,161)	23,098,700
Other financing sources, net	-	-	-	5,000	(5,000)
Deficiency of revenues and other financing sources under expenditures/expenses	(3,212,295)	(12,166)	(3,224,461)	(26,318,161)	23,093,700
Balances beginning of year	24,276,494	2,659,026	26,935,520	26,318,161	617,359
Balances end of year	\$ 21,064,199	2,646,860	23,711,059	-	23,711,059

See accompanying independent auditor's report.

Basis of Presentation

The District operates within the budget requirements for school districts as specified by state law and as prescribed by the Iowa Department of Management. Budgets are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).

For the fiscal year beginning July 1, a proposed budget is adopted by the Board and filed with the County Auditor no later than April 15. The budget is certified by the County Auditor to the Department of Management.

Once adopted, the budget can be amended by the Board. The amendment must be published and a public hearing conducted prior to the amendment. Any amendments must be certified to the County Auditor no later than May 31. The proposed expenditure budget is advertised in the local newspaper, together with a notice of public hearing.

The legal level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is the functional area for a budgeted governmental, enterprise and private purpose trust funds in total, rather than by individual fund type. Formal and legal budgetary control is based on four major classes of expenditures known as functional areas. These four functional areas are instruction, support services, non-instructional programs and other expenditures. During the year ended June 30, 2010, expenditures did not exceed the amounts budgeted in any functional area. The Code of Iowa also provides that District expenditures in the General Fund may not exceed the amount authorized by the school finance formula. Authorized expenditures cannot exceed the lesser of the certified budget plus any allowable amendments, or the authorized budget, which is the sum of the District's cost for that year plus the actual miscellaneous income received for that year plus the actual unspent balance from the preceding year. Appropriations, as adopted and amended, lapse at the end of the fiscal year.

The District is required by the Code of Iowa to budget for its share of media, education services and special education support provided through the local area education agency. The District's actual amount for this purpose totaled \$2,187,815 for the year ended June 30, 2010.

Other Supplementary Information

Schedule 1

Johnston Community School District
Combining Balance Sheet
Non-Major Special Revenue Funds
June 30, 2010

	Management	Student Activity	Physical Plant and Equipment Levy	Total
Assets				
Current Assets:				
Cash and pooled investments	\$ 1,945,094	441,695	2,455,609	4,842,398
Receivables:				
Property tax:				
Current year delinquent	10,366	-	24,979	35,345
Succeeding year	950,005	-	2,962,128	3,912,133
Accounts	-	1,256	162	1,418
Total assets	\$ 2,905,465	442,951	5,442,878	8,791,294
Liabilities and Fund Balances				
Current Liabilities:				
Accounts payable	\$ 64,335	31,590	108,537	204,462
Early retirement payable	402,691	-	-	402,691
Deferred revenue:				
Succeeding year property tax	950,005	-	2,962,128	3,912,133
Total liabilities	<u>1,417,031</u>	<u>31,590</u>	<u>3,070,665</u>	<u>4,519,286</u>
Fund balances:				
Unreserved	<u>1,488,434</u>	<u>411,361</u>	<u>2,372,213</u>	<u>4,272,008</u>
Total liabilities and fund balances	\$ 2,905,465	442,951	5,442,878	8,791,294

See accompanying independent auditor's report.

Schedule 2

Johnston Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
Year ended June 30, 2010

	Management	Student Activity	Physical Plant and Equipment Levy	Total
Revenues:				
Local sources:				
Local tax:				
Property tax	\$ 1,184,231	-	2,745,937	3,930,168
Utility tax replacement excise tax	33,067	-	73,485	106,552
Mobile home tax	1,093	-	2,660	3,753
	1,218,391	-	2,822,082	4,040,473
Other local sources:				
Interest on investments	-	-	108,138	108,138
Student activities	-	555,538	-	555,538
Donations	-	27,817	-	27,817
Other local revenue	118,815	156,183	-	274,998
	118,815	739,538	108,138	966,491
	1,337,206	739,538	2,930,220	5,006,964
State sources:				
Revenue in lieu of taxes :				
Military credit	307	-	686	993
Federal sources:				
Revenue in lieu of taxes :				
Flood control	-	-	138	138
Total revenues	1,337,513	739,538	2,931,044	5,008,095
Expenditures:				
Current:				
Instruction:				
Regular instruction:				
Benefits	404,998	-	-	404,998
Property	-	-	69,308	69,308
	404,998	-	69,308	474,306
Co-curricular instruction:				
Purchased services	-	89,804	-	89,804
Supplies	-	563,469	-	563,469
Property	-	15,035	-	15,035
Other	-	26,635	-	26,635
	-	694,943	-	694,943
Total instruction	404,998	694,943	69,308	1,169,249

Schedule 2

Johnston Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
Year ended June 30, 2010

	Management	Student Activity	Physical Plant and Equipment Levy	Total
<i>Continued from previous page</i>				
Expenditures:				
Current:				
Support Services:				
Student support:				
Benefits	17,113	-	-	17,113
Instructional Staff Services:				
Property	-	-	402,488	402,488
Administration:				
Benefits	77,791	-	-	77,791
Purchased services	22,158	-	29,058	51,216
Property	-	-	41,503	41,503
	99,949	-	70,561	170,510
Plant operation and maintenance:				
Benefits	77,645	-	-	77,645
Purchased services	301,913	-	68,604	370,517
Property	-	-	109,575	109,575
	379,558	-	178,179	557,737
Student transportation:				
Benefits	41,429	-	-	41,429
Purchased services	41,131	-	-	41,131
Property	-	-	314,330	314,330
	82,560	-	314,330	396,890
Total support services	579,180	-	965,558	1,544,738
Non-instructional Programs:				
Food services				
Benefits	13,764	-	-	13,764
Community service & education:				
Benefits	2,059	-	-	2,059
Total non-instructional programs	15,823	-	-	15,823

Schedule 2

Johnston Community School District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-Major Special Revenue Funds
Year ended June 30, 2010

	Management	Student Activity	Physical Plant and Equipment Levy	Total
<i>Continued from previous page</i>				
Expenditures:				
Capital outlay:				
Other expenditures:				
Facilities acquisition:				
Purchased services	-	-	1,508,825	1,508,825
Supplies	-	-	40,151	40,151
Property	-	-	125,262	125,262
Other	-	-	1,598	1,598
	-	-	1,675,836	1,675,836
Total expenditures	1,000,001	694,943	2,710,702	4,405,646
Excess of revenues over expenditures	337,512	44,595	220,342	602,449
Other financing uses:				
Operating transfers out	-	-	(737,077)	(737,077)
Total other financing uses	-	-	(737,077)	(737,077)
Excess (deficiency) of revenues over (under) expenditures and other financing uses	337,512	44,595	(516,735)	(134,628)
Fund balances beginning of year	1,150,922	366,766	2,888,948	4,406,636
Fund balances end of year	\$ 1,488,434	411,361	2,372,213	4,272,008

See accompanying independent auditor's report.

Johnston Community School District
Combining Statement of Net Assets
Proprietary Funds
June 30, 2010

	Business Type Activities					Governmental Activities		
	Enterprise Funds					Internal Service Funds		
	Community Education	Community Daycare	Community Preschool	School Nutrition	Total	Self-funded Insurance	Flexible Benefits	Total
Assets								
Current assets:								
Cash and cash equivalents	\$ 140,820	662,346	84,659	1,119,742	2,007,567	3,978,434	150,946	4,129,380
Receivables:								
Accounts	13,872	24,181	192	-	38,245	-	-	-
Due from other governments	-	151	26,525	-	26,676	-	-	-
Inventories	-	-	-	108,158	108,158	-	-	-
Total current assets	154,692	686,678	111,376	1,227,900	2,180,646	3,978,434	150,946	4,129,380
Non-current assets:								
Property and equipment:								
Machinery and equipment	33,848	91,489	3,134	1,826,777	1,955,248	-	-	-
Accumulated depreciation	(24,048)	(76,268)	(1,635)	(1,094,131)	(1,196,082)	-	-	-
Total non-current assets	9,800	15,221	1,499	732,646	759,166	-	-	-
Total assets	164,492	701,899	112,875	1,960,546	2,939,812	3,978,434	150,946	4,129,380
Liabilities								
Current liabilities:								
Accounts payable	6,425	24,564	10,842	22,429	64,260	31,549	-	31,549
Insurance claims liability	-	-	-	-	-	772,380	-	772,380
Accrued salaries and benefits payable	28	128	5,587	100,590	106,333	-	-	-
Unearned revenue	-	14,572	-	66,131	80,703	-	-	-
Compensated absences	2,044	7,489	940	3,875	14,348	-	-	-
Total current liabilities	8,497	46,753	17,369	193,025	265,644	803,929	-	803,929
Non-current liabilities:								
Other postemployment benefits payable	2,184	7,280	1,580	16,264	27,308	-	-	-
Total liabilities	10,681	54,033	18,949	209,289	292,952	803,929	-	803,929
Net Assets								
Invested in capital assets	9,800	15,221	1,499	732,646	759,166	-	-	-
Unrestricted	144,011	632,645	92,427	1,018,611	1,887,694	3,174,505	150,946	3,325,451
Total net assets	\$ 153,811	647,866	93,926	1,751,257	2,646,860	3,174,505	150,946	3,325,451

See accompanying independent auditor's report.

Johnston Community School District
Combining Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
Year ended June 30, 2010

	Business Type Activities					Governmental Activities		
	Enterprise Funds					Internal Service Funds		
	Community Education	Community Daycare	Community Preschool	School Nutrition	Total	Self-funded Insurance	Flexible Benefits	Total
Operating revenues:								
Local sources:								
Other local sources:								
Food service sales	\$ -	-	-	2,101,644	2,101,644	-	-	-
Daycare service fees	-	1,716,664	-	-	1,716,664	-	-	-
Community education fees	593,905	-	153,429	-	747,334	-	-	-
Charges for services	-	-	-	-	-	6,245,333	420,356	6,665,689
Other operating income	-	-	-	24,894	24,894	-	-	-
Total operating revenues	593,905	1,716,664	153,429	2,126,538	4,590,536	6,245,333	420,356	6,665,689
Operating expenses:								
Instructional programs:								
Instructional services:								
Salaries	-	-	104,005	-	104,005	-	-	-
Benefits	-	-	24,440	-	24,440	-	-	-
Services	31,095	-	34,861	-	65,956	-	-	-
Supplies	-	-	29,457	-	29,457	-	-	-
Other	655	107,306	750	-	108,711	-	-	-
Depreciation	-	-	552	-	552	-	-	-
	31,750	107,306	194,065	-	333,121	-	-	-
Support Services:								
Administrative services:								
Salaries	-	73,312	-	62,590	135,902	-	-	-
Benefits	-	18,515	-	21,067	39,582	6,101,146	360,927	6,462,073
Services	6,065	7,050	406	64,664	78,185	39,726	-	39,726
	6,065	98,877	406	148,321	253,669	6,140,872	360,927	6,501,799
Operation and maintenance services:								
Services	540	540	-	-	1,080	-	-	-
Supplies	-	-	-	4,639	4,639	-	-	-
	540	540	-	4,639	5,719	-	-	-
Transportation services:								
Services	-	52,749	452	-	53,201	-	-	-
	-	52,749	452	-	53,201	-	-	-
	6,605	152,166	858	152,960	312,589	6,140,872	360,927	6,501,799
Non-instructional programs:								
Food services operations:								
Salaries	-	-	-	803,498	803,498	-	-	-
Benefits	-	-	-	259,236	259,236	-	-	-
Services	-	-	-	75,242	75,242	-	-	-
Supplies	-	-	-	1,417,647	1,417,647	-	-	-
Other	-	-	-	1,314	1,314	-	-	-
Depreciation	-	-	-	116,229	116,229	-	-	-
	-	-	-	2,673,166	2,673,166	-	-	-
Community service operations:								
Salaries	364,230	1,162,120	-	-	1,526,350	-	-	-
Benefits	68,844	214,610	-	-	283,454	-	-	-
Services	3,880	1,217	-	-	5,097	-	-	-
Supplies	129,409	168,266	-	-	297,675	-	-	-
Other	-	-	-	-	-	-	-	-
Depreciation	2,141	4,917	-	-	7,058	-	-	-
	568,504	1,551,130	-	-	2,119,634	-	-	-
	568,504	1,551,130	-	2,673,166	4,792,800	-	-	-
Total operating expenses	606,859	1,810,602	194,923	2,826,126	5,438,510	6,140,872	360,927	6,501,799
Operating income (loss)	(12,954)	(93,938)	(41,494)	(699,588)	(847,974)	104,461	59,429	163,890

Johnston Community School District
Combining Statement of Revenues, Expenses and Changes in Net Assets
Proprietary Funds
Year ended June 30, 2010

	Business Type Activities					Governmental Activities		
	Enterprise Funds					Internal Service Funds		
	Community Education	Community Daycare	Community Preschool	School Nutrition	Total	Self-funded Insurance	Flexible Benefits	Total
<i>Continued from previous page</i>								
Non-operating revenues:								
State grants	-	-	82,754	-	82,754	-	-	-
State lunch and breakfast program claims	-	-	-	23,548	23,548	-	-	-
National School Lunch Program	-	-	-	442,879	442,879	-	-	-
School Breakfast Program	-	-	-	50,808	50,808	-	-	-
Federal food commodities revenue	-	-	-	212,771	212,771	-	-	-
Team Nutrition Grant	-	-	-	8,805	8,805	-	-	-
Child and Adult Care Food Program	-	4,500	-	-	4,500	-	-	-
Contributions	6,993	2,750	-	-	9,743	-	-	-
Interest income	-	-	-	-	-	-	-	-
Total non-operating revenues	6,993	7,250	82,754	738,811	835,808	-	-	-
Changes in net assets	(5,961)	(86,688)	41,260	39,223	(12,166)	104,461	59,429	163,890
Net assets beginning of year	159,772	734,554	52,666	1,712,034	2,659,026	3,070,044	91,517	3,161,561
Net assets end of year	<u>\$ 153,811</u>	<u>647,866</u>	<u>93,926</u>	<u>1,751,257</u>	<u>2,646,860</u>	<u>3,174,505</u>	<u>150,946</u>	<u>3,325,451</u>

See accompanying independent auditor's report.

Johnston Community School District
Combining Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2010

	Business Type Activities					Governmental Activities		
	Community Education	Community Daycare	Community Preschool	School Nutrition	Total	Self-funded Insurance	Flexible Benefits	Total
Cash flows from operating activities:								
Cash received from sale of lunches and breakfasts	\$ -	-	-	2,127,782	2,127,782	-	-	-
Cash received from community services	598,719	1,707,321	141,918	-	2,447,958	6,252,748	420,356	6,673,104
Cash payments to employees for services	(434,053)	(1,466,064)	(124,901)	(1,119,632)	(3,144,650)	(5,859,311)	(366,667)	(6,225,978)
Cash payments to suppliers for goods or services	(175,330)	(340,841)	(57,936)	(1,319,168)	(1,893,275)	(39,726)	-	(39,726)
Net cash provided (used) by operating activities	(10,664)	(99,584)	(40,919)	(311,018)	(462,185)	353,711	53,689	407,400
Cash flows from non-capital financing activities:								
Transfers in	-	-	-	-	-	-	-	-
Operating contributions	6,993	2,750	-	-	9,743	-	-	-
State grants received	-	-	82,754	23,548	106,302	-	-	-
Federal grants received	-	4,500	-	506,492	510,992	-	-	-
Net cash provided by non-capital financing activities	6,993	7,250	82,754	530,040	627,037	-	-	-
Cash flows from capital and related financing activities:								
Acquisition of capital assets	(1,872)	-	(649)	(115,926)	(118,447)	-	-	-
Net cash used by capital and related financing activities	(1,872)	-	(649)	(115,926)	(118,447)	-	-	-
Net increase in cash and cash equivalents	(5,543)	(92,334)	41,186	103,096	46,405	353,711	53,689	407,400
Cash and cash equivalents at beginning of year	146,363	754,680	43,473	1,016,646	1,961,162	3,624,723	97,257	3,721,980
Cash and cash equivalents at end of year	\$ 140,820	662,346	84,659	1,119,742	2,007,567	3,978,434	150,946	4,129,380
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:								
Operating income (loss)	\$ (12,954)	(93,938)	(41,494)	(699,588)	(847,974)	104,461	59,429	163,890
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:								
Commodities used	-	-	-	212,771	212,771	-	-	-
Depreciation	2,141	4,917	552	116,229	123,839	-	-	-
(Increase) decrease in accounts receivable	4,814	(24,181)	(192)	-	(19,559)	7,415	-	7,415
(Increase) decrease in due from other governments	-	266	(11,319)	-	(11,053)	-	-	-
Decrease in inventories	-	-	-	29,845	29,845	-	-	-
Increase (decrease) in accounts payable	(3,686)	(3,713)	7,990	1,722	2,313	31,549	(5,740)	25,809
Increase in insurance claims liability	-	-	-	-	-	210,286	-	210,286
Increase (decrease) in salaries and benefits payable	(340)	(1)	5,523	17,365	22,547	-	-	-
Increase in unearned revenues	-	14,572	-	1,244	15,816	-	-	-
(Decrease) in compensated absences	(1,913)	(693)	(1,740)	(654)	(5,000)	-	-	-
Increase (decrease) in other post-employment benefits	1,274	3,187	(239)	10,048	14,270	-	-	-
Net cash provided (used) by operating activities	\$ (10,664)	(99,584)	(40,919)	(311,018)	(462,185)	353,711	53,689	407,400

Johnston Community School District
Combining Statement of Cash Flows
Proprietary Funds
Year ended June 30, 2010

	Business Type Activities					Governmental Activities		
	Community Education	Community Daycare	Community Preschool	School Nutrition	Total	Self-funded Insurance	Flexible Benefits	Total
<i>Continued from previous page</i>								
Reconciliation of cash and cash equivalents at year end to specific assets included on Combined Balance Sheet:								
Current assets:								
Cash and investments	\$ 140,820	662,346	84,659	1,119,742	2,007,567	3,978,434	150,946	4,129,380
Cash and cash equivalents at year end	<u>\$ 140,820</u>	<u>662,346</u>	<u>84,659</u>	<u>1,119,742</u>	<u>2,007,567</u>	<u>3,978,434</u>	<u>150,946</u>	<u>4,129,380</u>

Non-cash investing, capital and financing activities:

During the year ended June 30, 2010, the District received federal commodities valued at \$212,771.

See accompanying independent auditor's report.

Schedule 6

Johnston Community School District
Capital Assets Used in the Operation of Governmental Funds
Schedule by Source
June 30, 2010

Governmental funds capital assets

Land and improvements	\$ 10,091,723
Buildings and improvements	104,250,283
Vehicles, furniture and equipment	5,561,512
Construction in progress	<u>1,329,285</u>

Total governmental funds capital assets	<u><u>\$ 121,232,803</u></u>
---	------------------------------

Investments in governmental funds capital assets by source

General Fund	\$ 3,872,487
Special Revenue Funds	7,736,342
Capital Projects Funds	<u>109,623,974</u>

Total governmental funds capital assets	<u><u>\$ 121,232,803</u></u>
---	------------------------------

See accompanying independent auditor's report.

Schedule 7

Johnston Community School District
Capital Assets Used in the Operation of Governmental Funds
Schedule by Function and Activity
June 30, 2010

Function and Activity	Land and Improvements	Buildings and Improvements	Vehicles, Furniture and Equipment	Construction in Progress	Total
Instruction	\$ 8,627,078	102,898,616	1,525,588	1,329,285	114,380,567
Other instruction	371,476	61,506	-	-	432,982
Support services - instructional staff	441,545	-	265,503	-	707,048
Administration	328,878	1,061,714	225,018	-	1,615,610
Operation and maintenance of plant services	71,519	228,447	486,716	-	786,682
Student transportation services	251,227	-	3,058,687	-	3,309,914
Total	<u>\$ 10,091,723</u>	<u>104,250,283</u>	<u>5,561,512</u>	<u>1,329,285</u>	<u>121,232,803</u>

See accompanying independent auditor's report.

Schedule 8

Johnston Community School District
Capital Assets Used in the Operation of Governmental Funds
Schedule of Changes by Function and Activity
Year ended June 30, 2010

Function and Activity	July 1, 2009	Additions	Deletions	June 30, 2010
Instruction	\$ 112,741,863	2,633,102	994,398	114,380,567
Other instruction	432,982	-	-	432,982
Support services - students	14,514	-	14,514	-
Support services - instructional staff	189,615	521,047	3,614	707,048
Administration	1,833,041	-	217,431	1,615,610
Operation and maintenance of plant services	734,346	68,703	16,367	786,682
Student transportation services	3,122,293	370,089	182,468	3,309,914
Total	<u>\$ 119,068,654</u>	<u>3,592,941</u>	<u>1,428,792</u>	<u>121,232,803</u>

See accompanying independent auditor's report.

Schedule 9

Johnston Community School District
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
Year ended June 30, 2010

Account	Balance Beginning of Year	Revenues	Expendi- tures	Balanced End of Year
Elementary Schools:				
Lawson Elementary	\$ 2,404	-	-	2,404
Wallace Elementary	2,401	-	-	2,401
Beaver Creek Elementary	2,500	-	-	2,500
Horizon Elementary:				
Student activity	1,432	-	-	1,432
Summit Middle School:				
Student Council	1,772	4,002	2,730	3,044
Yearbook	19,541	17,157	19,665	17,033
Vocal Music	2,309	1,035	1,301	2,043
Instrumental Music	2,269	7,441	8,279	1,431
Tech Club	5,821	11,927	6,467	11,281
Cheerleading	6,158	-	-	6,158
Food Assistance	1,613	-	20	1,593
SOS	100	-	-	100
Middle School:				
Dragon Express	513	-	43	470
Student Council	2,779	1,650	2,508	1,921
Yearbook	11,124	17,734	18,699	10,159
Vocal Music	9,961	30,982	30,987	9,956
Instrumental Music	2,449	5,017	5,165	2,301
Student Management	11,624	-	-	11,624
Cheerleading	131	-	-	131
MS Pride	154	-	-	154
Art Club	368	1,009	1,373	4
French Club	1,145	-	-	1,145
Spanish Club	951	443	753	641
Tech Club	924	2,124	1,839	1,209
High School:				
Environmental Club	-	662	637	25
Spanish Club	5,382	73	1,627	3,828
Drama Club	1,816	1,396	2,235	977
Student Council	4,127	41,217	41,193	4,151
National Honor Society	654	3,283	2,197	1,740
Senior Class	616	12,169	11,588	1,197
Yearbook	112,651	63,662	38,777	137,536
Instrumental Music	1,074	-	-	1,074
Vocal Music	8,308	34,119	34,192	8,235

Schedule 9

Johnston Community School District
Schedule of Changes in Special Revenue Fund, Student Activity Accounts
Year ended June 30, 2010

Account	Balance Beginning of Year	Revenues	Expendi- tures	Balanced End of Year
Academic Competition	-	1,550	1,550	-
Circle of Friends	176	1,104	668	612
SADD	157	-	-	157
Diversity Committee	100	-	-	100
Tech Club	1,138	1,999	1,568	1,569
Gay Straight Alliance	319	175	50	444
Fencing Club	834	568	527	875
Spirit Club	141	4,738	3,624	1,255
Athletics	138,830	472,302	454,681	156,451
Total	\$ 366,766	739,538	694,943	411,361

See accompanying independent auditor's report.

Johnston Community School District
Schedule of Revenues by Source and Expenditures by Function
All Governmental Funds
For the Last Nine Years

	Modified Accrual Basis								
	2010	2009	2008	2007	2006	2005	2004	2003	2002
Revenues:									
Local sources:									
Local tax	\$ 32,577,208	32,073,368	30,063,824	28,943,854	25,624,856	23,672,255	21,314,918	18,180,329	12,602,902
Tuition	3,137,706	3,388,830	3,860,880	3,318,397	3,153,507	3,155,907	2,894,604	2,639,991	2,580,725
Other	2,788,425	2,307,958	3,321,999	3,479,491	2,616,713	1,920,527	1,653,031	1,575,292	5,269,686
Intermediate sources	90,678	92,866	85,004	-	-	-	-	-	-
State sources	23,396,412	25,729,617	23,887,916	21,363,797	19,152,732	17,287,021	15,584,614	15,434,525	14,401,664
Federal sources	4,060,543	1,310,703	608,405	557,081	545,932	453,730	475,152	449,584	418,530
Total	\$ 66,050,972	64,903,342	61,828,028	\$ 57,662,620	51,093,740	46,489,440	41,922,319	38,279,721	35,273,507
Expenditures:									
Instruction:									
Regular	\$ 26,420,349	25,632,654	22,840,146	\$ 19,978,686	18,389,994	16,682,152	14,923,600	13,619,433	12,451,952
Special	7,633,325	7,310,329	7,135,533	6,694,623	5,867,984	6,196,627	5,449,798	4,021,880	4,251,401
Other	4,562,423	3,493,390	2,798,377	2,841,136	2,385,744	2,186,628	2,082,883	2,531,466	1,960,933
Support services:									
Student	1,595,119	1,434,161	1,413,042	1,289,939	1,189,547	1,123,216	1,082,857	1,177,213	1,241,772
Instructional staff	2,681,246	2,590,573	2,679,714	2,087,999	1,985,956	1,452,473	1,309,542	2,393,225	2,694,811
Administration	5,135,490	5,183,740	5,216,577	4,781,180	4,011,887	2,668,177	2,566,722	2,559,434	2,366,753
Operation and maintenance of plant	4,845,401	4,693,862	4,511,428	3,903,490	3,707,823	3,596,527	3,095,173	2,548,618	2,369,529
Transportation	2,582,214	2,625,767	1,984,393	2,103,016	1,675,469	1,846,703	1,460,984	1,342,785	1,185,349
Central support	-	-	-	-	-	17,353	171,047	120,205	-
Non-instructional programs:									
Food services	13,764	17,345	22,305	2,855	8,203	713	646	-	-
Community services and education	118,485	112,879	111,639	121,130	142,590	5,130	2,508	-	-
Other expenditures:									
Facilities acquisition	3,865,127	3,341,005	9,739,160	16,166,714	7,242,583	4,949,087	15,198,700	2,199,651	4,602,807
Long-term debt:									
Principal	5,670,000	5,520,000	5,365,000	7,655,000	9,510,000	11,975,000	3,620,000	9,415,000	11,370,000
Interest and other charges	1,952,509	2,128,980	2,250,958	2,597,424	1,087,863	1,159,498	1,187,814	1,266,343	1,676,142
AEA support	2,187,815	1,946,449	1,771,545	1,606,455	1,408,173	1,261,795	1,176,050	1,179,686	1,104,898
Total	\$ 69,263,267	66,031,134	67,839,817	71,829,647	58,613,816	55,121,079	53,328,324	44,374,939	47,276,347

See accompanying independent auditor's report.

Johnston Community School District
Statistical Section
Table of Contents

The statistical section of the Johnston Community School District's comprehensive annual financial report presents detailed information as a context for understanding what the information presented in the financial statements, note disclosures and required supplementary information say about the District's overall financial health.

<u>CONTENTS</u>	<u>PAGE</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	69-78
Revenue Capacity These schedules contain information to help the reader assess the District's most significant local revenue sources, the property tax (or sales tax).	79-85
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current level of outstanding debt and the District's ability to issue additional debt in the future.	86-93
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.	94-98
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs.	99-103

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The District implemented GASB 34 in fiscal year 2003; schedules presenting government-wide information include information beginning in that year.

NET ASSETS BY COMPONENT
Last Eight Fiscal Years *

Year ended June 30,	2010	2009	2008	2007	2006	2005	2004	2003
Governmental activities:								
Invested in capital assets, net of related deb	\$ 48,156,947	45,865,614	39,330,607	35,699,534	35,157,475	32,602,330	29,105,935	24,670,604
Restricted	15,159,937	13,277,408	13,641,285	11,831,699	5,608,504	2,190,011	2,136,870	2,261,334
Unrestricted	4,549,254	5,467,196	5,023,421	3,528,893	1,231,505	584,792	(1,547,399)	(2,293,364)
Total governmental activities net assets	67,866,138	64,610,218	57,995,313	51,060,126	41,997,484	35,377,133	29,695,406	24,638,574
Business-type activities:								
Invested in capital assets, net of related deb	759,166	764,558	860,311	865,179	629,082	680,399	401,213	463,442
Unrestricted	1,887,694	1,894,468	1,714,535	1,473,496	1,808,309	1,517,315	1,295,667	834,583
Total business-type activities net assets	2,646,860	2,659,026	2,574,846	2,338,675	2,437,391	2,197,714	1,696,880	1,298,025
Primary government:								
Invested in capital assets, net of related deb	48,916,113	46,630,172	40,190,918	36,564,713	35,786,557	33,282,729	29,507,148	25,134,046
Restricted	15,159,937	13,277,408	13,641,285	11,831,699	5,608,504	2,190,011	2,136,870	2,261,334
Unrestricted	6,436,948	7,361,664	6,737,956	5,002,389	3,039,814	2,102,107	(251,732)	(1,458,781)
Total primary government net assets	\$ 70,512,998	67,269,244	60,570,159	53,398,801	44,434,875	37,574,847	31,392,286	25,936,599

*The District began to report accrual information when it implemented GASB Statement 34 in 2003

Source: 2010 Certified Annual Report

EXPENSES, PROGRAM REVENUES AND NET REVENUES (EXPENSES)
Last Eight Fiscal Years *

Year ended June 30,	2010	2009	2008	2007	2006	2005	2004	2003
Expenses:								
Governmental activities:								
Instruction	\$ 41,075,403	38,263,152	34,346,658	30,666,801	28,211,145	26,518,342	23,852,166	21,456,624
Student services	1,596,919	1,401,696	1,380,591	1,301,680	1,170,265	1,124,816	1,118,710	1,180,116
Instructional staff services	2,749,674	2,601,050	2,669,388	2,062,886	1,933,485	1,439,037	1,305,551	2,417,872
Administrative services	5,122,778	4,781,632	4,929,567	4,344,754	4,048,697	2,741,465	2,869,991	2,723,030
Operating and maintenance of plant services	4,912,963	4,712,151	4,488,374	3,896,886	3,717,675	3,640,341	3,083,216	2,548,817
Transportation services	2,829,785	2,302,013	2,097,710	2,048,069	1,759,129	1,724,913	1,480,230	1,368,743
Capital outlay			798,920	471,589	322,595	890,901	760,856	827,408
Long-term debt interest	1,920,576	2,082,797	2,220,610	2,058,741	1,752,411	1,162,844	1,212,624	1,241,410
Non-instructional programs	126,953	91,567	82,532	142,117	149,814	843	654	-
Other expenditures	2,460,001	2,068,147	1,771,545	1,606,455	1,408,173	1,261,795	1,176,050	1,179,686
Total governmental activities expenses	62,795,052	58,304,205	54,785,895	48,599,978	44,473,389	40,505,297	36,860,048	34,943,706
Business type activities:								
Nutrition	2,826,126	2,539,224	2,403,213	2,217,269	1,969,280	1,816,128	1,543,782	1,614,434
Day care services	2,005,525	2,270,418	2,251,506	2,033,473	1,858,371	1,524,092	1,230,729	1,237,387
Community education services	606,859	582,854	509,127	481,129	429,823	594,714	467,234	394,055
Total business type activities expenses	5,438,510	5,392,496	5,163,846	4,731,871	4,257,474	3,934,934	3,241,745	3,245,876
Total primary government expenses	\$ 68,233,562	63,696,701	59,949,741	53,331,849	48,730,863	44,440,231	40,101,793	38,189,582
Program revenues:								
Governmental activities:								
Charges for services:								
Instruction	\$ 4,021,814	4,384,947	4,721,590	3,890,184	3,932,276	4,172,796	3,846,633	3,737,924
Support services	303,383	268,496	236,406	175,645	355,562	217,477	221,696	174,815
Other	-	-	-	-	-	-	-	6,193
Operating grants and contributions	10,659,417	6,848,576	5,115,230	4,136,055	3,260,375	3,117,791	2,694,797	2,953,549
Total governmental activities program revenues	14,984,614	11,502,019	10,073,226	8,201,884	7,548,213	7,508,064	6,763,126	6,872,481
Business type activities:								
Charges for services:								
Nutrition	2,126,538	1,997,655	1,877,541	1,751,445	1,686,958	1,578,301	1,453,805	1,337,514
Day care services	1,870,093	2,181,658	2,218,810	1,919,604	1,870,127	1,564,964	1,358,932	1,246,703
Community education services	593,905	552,129	479,257	435,473	391,836	548,318	438,535	377,596
Operating grants and contributions	835,808	741,005	717,105	526,633	548,230	441,769	375,335	354,505
Total business type program revenues	5,426,344	5,472,447	5,292,713	4,633,155	4,497,151	4,133,352	3,626,607	3,316,318
Total primary government program revenues	\$ 20,410,958	16,974,466	15,365,939	12,835,039	12,045,364	11,641,416	10,389,733	10,188,799
Net revenue (expense):								
Governmental activities	\$ (47,810,438)	(46,802,186)	(44,712,669)	(40,398,094)	(36,925,176)	(32,997,233)	(30,096,922)	(28,071,225)
Business type activities	(12,166)	79,951	128,867	(98,716)	239,677	198,418	384,862	70,442
Total primary government net expense	\$ (47,822,604)	(46,722,235)	(44,583,802)	(40,496,810)	(36,685,499)	(32,798,815)	(29,712,060)	(28,000,783)

*The District began to report accrual information when it implemented GASB Statement 34 in 2003.

Source: 2010 Certified Annual Report

GENERAL REVENUES AND TOTAL CHANGES IN NET ASSETS
Last Eight Fiscal Years *

Year ended June 30,	2010	2009	2008	2007	2006	2005	2004	2003
Net (expense) revenue:								
Governmental activities	\$ (47,810,438)	(46,802,186)	(44,712,669)	(40,398,094)	(36,925,176)	(32,997,233)	(30,096,922)	(28,071,225)
Business type activities	(12,166)	79,951	128,867	(98,716)	239,677	198,418	384,862	70,442
Total primary government net expense	(47,822,604)	(46,722,235)	(44,583,802)	(40,496,810)	(36,685,499)	(32,798,815)	(29,712,060)	(28,000,783)
General revenues and other changes in net assets:								
Governmental activities:								
General revenues:								
Property taxes levied for:								
General purposes	24,158,338	21,298,103	19,689,959	19,159,367	16,565,872	15,337,951	13,415,403	10,865,336
Debt service	1,313,820	2,556,704	2,657,697	2,177,335	2,304,979	2,018,204	2,012,726	2,442,045
Capital outlay	2,822,082	2,638,596	2,485,836	2,384,625	2,159,039	2,059,739	1,887,257	4,872,948
Local option sales and services tax	4,282,968	5,579,965	5,230,332	5,222,527	4,594,967	4,256,361	3,999,532	-
Unrestricted state grants	16,880,987	20,175,159	19,400,505	17,692,641	16,398,591	14,607,644	13,358,918	13,105,626
Unrestricted investment earnings	847,168	376,149	1,148,153	1,610,716	853,263	200,335	126,896	51,709
Other	760,995	796,644	1,142,678	1,213,525	668,816	501,142	367,015	69,576
Capital contributions	-	-	-	-	-	(285,868)	-	-
Gain on sale of assets	-	-	-	-	-	-	-	214,695
Transfers	-	(4,229)	-	-	-	(16,548)	(13,993)	-
Total governmental activities	51,066,358	53,417,091	51,755,160	49,460,736	43,545,527	38,678,960	35,153,754	31,621,935
Business-type activities:								
Investment earnings			-	-	-	-	-	-
Miscellaneous			-	-	-	285,868	-	-
Transfers		4,229	-	-	-	16,548	13,993	-
Total business-type activities	-	4,229	-	-	-	302,416	13,993	-
Total primary government general revenues and other changes in net assets	51,066,358	53,421,320	51,755,160	49,460,736	43,545,527	38,981,376	35,167,747	31,621,935
Change in net assets:								
Governmental activities	3,255,920	6,614,905	7,042,491	9,062,642	6,620,351	5,681,727	5,056,832	3,550,710
Business-type activities	(12,166)	84,180	128,867	(98,716)	239,677	500,834	398,855	70,442
Total primary government change in net assets	\$ 3,243,754	6,699,085	7,171,358	8,963,926	6,860,028	6,182,561	5,455,687	3,621,152

*The District began to report accrual information when it implemented GASB Statement 34 in 2003.

Source: 2010 Certified Annual Report

FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Year ended June 30,	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
General Fund:										
Reserved	\$ 1,062,752	635,151	497,962	504,469	439,250	380,357	496,423	436,761	251,347	209,213
Unreserved	1,580,546	2,347,277	2,713,355	2,693,386	1,363,662	699,325	(904,157)	(1,867,297)	(1,545,018)	153,623
Total general fund	2,643,298	2,982,428	3,211,317	3,197,855	1,802,912	1,079,682	(407,734)	(1,430,536)	(1,293,671)	362,836
All other governmental funds:										
Reserved, Debt Service	518,464	3,990,413	454,343	397,337	3,393,351	219,696	209,093	206,947	193,570	184,324
Unreserved, reported in:										
Special revenue funds	4,272,008	4,406,636	4,427,435	3,494,338	2,883,949	2,086,111	1,486,468	1,549,840	1,484,665	964,726
Capital project funds	13,630,429	12,897,017	17,177,649	14,123,571	27,299,916	2,594,715	1,185,564	1,533,584	1,130,442	6,457,606
Total all other governmental funds	18,420,901	21,294,066	22,059,427	18,015,246	33,577,216	4,900,522	2,881,125	3,290,371	2,808,677	7,606,656
Total governmental fund balances	\$ 21,064,199	24,276,494	25,270,744	21,213,101	35,380,128	5,980,204	2,473,391	1,859,835	1,515,006	7,969,492

Source: 2010 Certified Annual Report

GOVERNMENTAL FUNDS REVENUES
Last Ten Fiscal Years

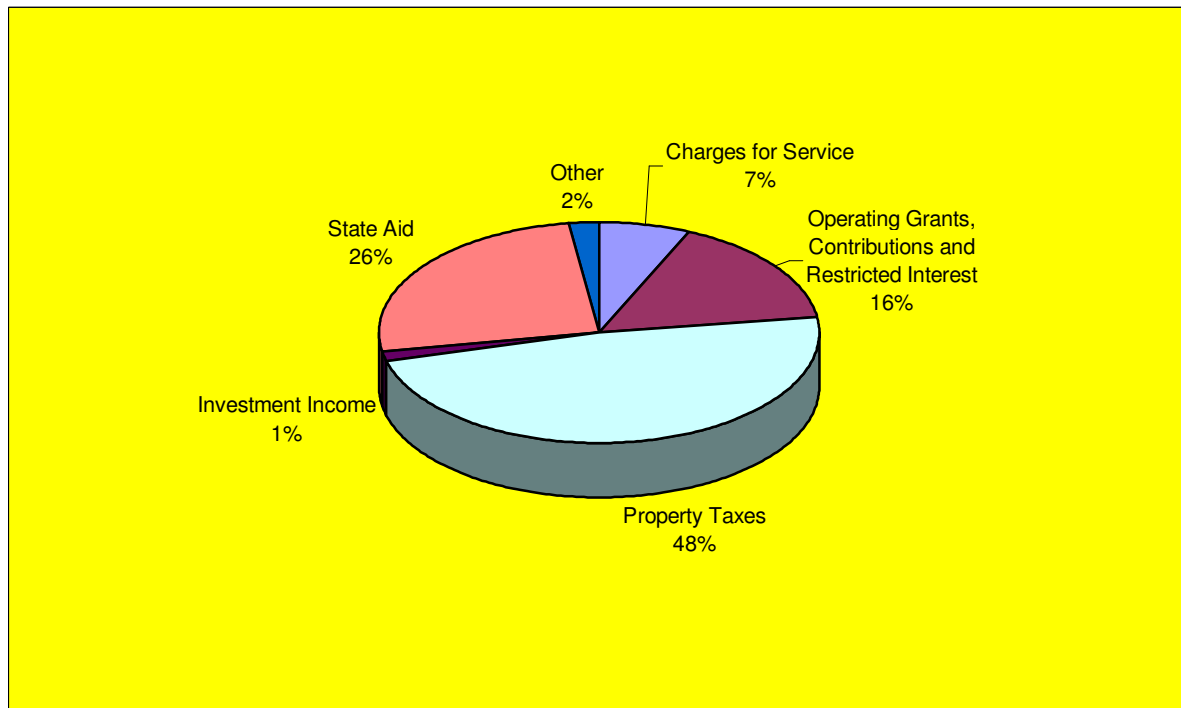
Year ended June 30,	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Local Sources:										
Property taxes	\$ 27,530,901	25,775,471	24,131,034	23,016,962	20,330,548	19,415,895	17,315,388	14,337,962	12,243,083	11,007,787
Local option sales tax	4,282,968	5,579,965	5,230,332	5,222,527	4,594,967	4,256,361	3,999,532	3,838,843	3,248,682	3,218,205
Utility replacement	763,339	717,932	702,460	704,365	699,341	**	**	**	**	**
Other local sources	4,430,103	4,864,033	5,613,015	4,594,317	4,395,017	4,593,385	4,250,846	3,904,498	4,075,038	3,214,670
Investment earnings	847,168	376,149	1,148,154	1,610,716	826,048	200,335	37,401	51,509	307,058	798,823
Student activities	739,538	569,468	506,711	600,924	549,155	282,713	259,386	262,800	219,633	200,217
Total local sources	38,594,017	37,883,018	37,331,706	35,749,811	31,395,076	28,748,689	25,862,553	22,395,612	20,093,494	18,439,702
State sources:										
State foundation aid	16,880,987	19,988,582	19,218,464	17,835,060	16,290,764	14,607,554	13,358,918	13,069,761	12,001,035	11,325,418
Other state sources	6,515,425	5,741,036	4,669,452	3,522,227	2,861,968	2,679,467	2,225,696	2,364,764	2,760,448	2,659,896
Total state sources	23,396,412	25,729,618	23,887,916	21,357,287	19,152,732	17,287,021	15,584,614	15,434,525	14,761,483	13,985,314
Federal sources	4,060,543	1,310,703	608,406	555,522	545,932	453,730	475,152	449,584	418,530	179,017
Total Revenues	\$ 66,050,972	64,923,339	61,828,028	57,662,620	51,093,740	46,489,440	41,922,319	38,279,721	35,273,507	32,604,033

**Utility replacement revenue was not broken down into detail prior to fiscal year 2006.

Source: 2010 Certified Annual Report

GOVERNMENT-WIDE REVENUES, BY SOURCE
Last Eight Fiscal Years*

PROGRAM REVENUES			GENERAL REVENUES				
Fiscal Year	Charges for Service	Operating Grants, Contributions and Restricted Interest	Property Taxes	Investment Income	State Aid	Other	TOTAL
2009-10	\$ 4,325,197	\$ 10,659,417	\$ 31,813,869	\$ 847,168	\$ 16,880,987	\$ 1,524,334	\$ 66,050,972
2008-09	4,653,443	6,848,576	32,073,368	376,149	19,988,582	983,221	64,923,339
2007-08	4,957,996	5,115,230	30,063,826	1,148,154	19,218,464	1,324,358	61,828,028
2006-07	4,065,829	4,136,055	28,943,854	1,610,716	17,692,641	1,213,525	57,662,620
2005-06	4,287,838	3,260,375	25,624,857	853,263	16,398,591	668,816	51,093,740
2004-05	4,390,273	3,117,791	23,672,255	200,335	14,607,644	501,142	46,489,440
2003-04	4,068,329	2,694,797	21,314,918	126,896	13,358,918	367,015	41,930,873
2002-03	3,918,932	2,953,549	18,180,329	51,709	13,105,626	284,271	38,494,416



*Note: No 10-year data available since required reporting began in FY03.
 Governmental activities only, does not include business activities.

Source: District Audits

COMPARATIVE RATIO OF DEBT SERVICE TO GOVERNMENTAL FUNDS EXPENDITURES
Last Ten Fiscal Years

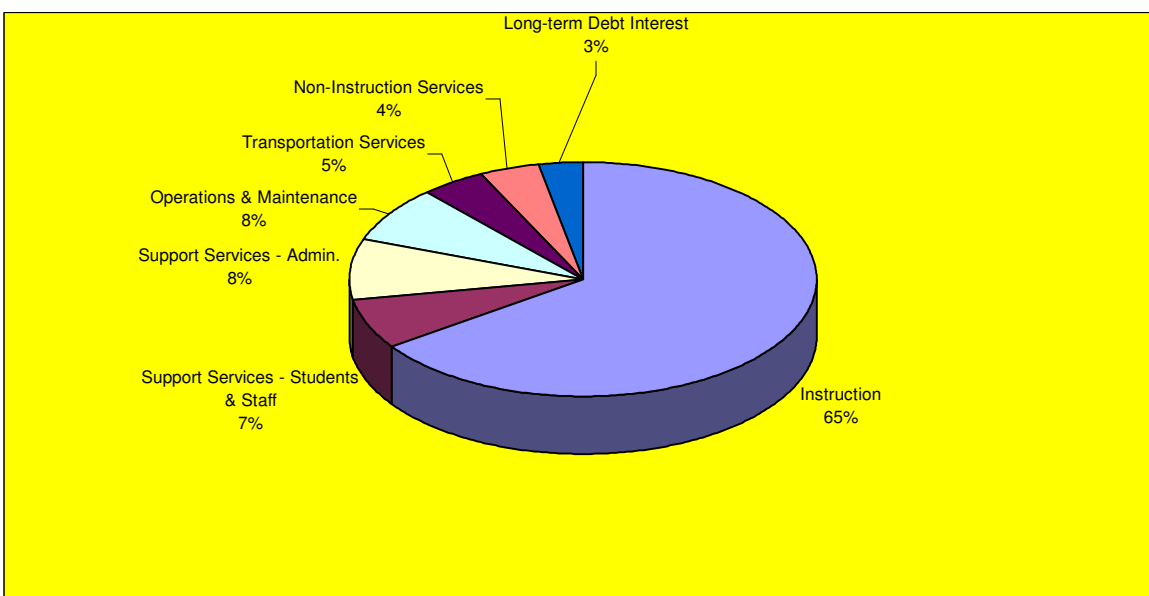
Year ending June 30,	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Instruction:									18,664,286	16,572,480
Regular instruction	\$ 26,246,992	25,632,654	22,840,146	19,978,686	18,389,994	16,682,152	14,923,600	13,619,433	*	*
Special instruction	7,633,325	7,310,329	7,135,533	6,694,623	5,867,984	6,196,627	5,449,798	4,021,880	*	*
Other instruction	4,735,781	3,493,390	2,798,377	2,841,136	2,385,744	2,186,628	2,082,883	2,531,466	*	*
Support services:									9,858,214	9,436,916
Student services	1,595,120	1,434,161	1,413,042	1,289,939	1,189,547	1,123,216	1,082,857	1,177,213	*	*
Instructional staff services	2,681,246	2,590,573	2,679,714	2,087,999	1,985,956	1,452,473	1,309,542	2,393,225	*	*
Administration services	5,135,488	5,183,740	5,216,577	4,781,180	4,011,887	2,685,530	2,737,819	2,679,639	*	*
Plant operation and maintenance	4,845,401	4,693,862	4,511,428	3,903,490	3,707,823	3,596,527	3,095,173	2,548,618	*	*
Transportation services	2,582,214	2,625,767	1,984,393	2,103,016	1,675,469	1,846,703	1,460,984	1,342,785	*	*
Non-instructional programs:										
Food services	13,764	17,345	22,305	2,855	8,203	713	646	-	-	-
Community service and education	118,485	112,879	111,639	121,130	142,590	5,130	2,508	-	-	-
Capital outlay	3,865,127	3,341,005	9,739,160	16,166,714	7,242,583	4,949,087	15,198,700	2,199,651	4,602,807	6,867,350
Debt service:										
Principal	5,670,000	5,520,000	5,365,000	7,655,000	9,510,000	11,975,000	3,620,000	9,415,000	11,370,000	4,995,000
Interest	1,952,509	2,128,980	2,230,458	2,592,150	1,085,413	1,155,598	1,184,564	1,264,768	1,674,567	1,790,672
Services	-	-	20,500	5,274	2,450	3,900	3,250	1,575	1,575	22,803
Intergovernmental other expenditures	2,187,815	1,946,449	1,771,545	1,606,455	1,408,173	1,261,795	1,176,050	1,179,686	1,104,898	1,065,880
Total expenditures	\$ 69,263,267	66,031,134	67,839,817	71,829,647	58,613,816	55,121,079	53,328,374	44,374,939	47,276,347	40,751,101
Debt service as a percentage of non-capital expenditures	11.70%	12.20%	13.10%	18.40%	20.60%	26.20%	12.60%	24.20%	30.60%	20.10%

*Instruction and support service expenditures were not broken down into further functional detail for these years. Therefore, only total instruction and total support services are shown

Source: 2010 Certified Annual Report

GOVERNMENT-WIDE EXPENSES, BY FUNCTION
Last Eight Fiscal Years*

Fiscal Year	Instruction	Support Services - Students & Staff	Support Services - Admin.	Operations & Maintenance	Transportation Services	Non-Instruction Services	Long-term Debt Interest	Totals
2009-10	\$ 41,075,403	\$ 4,346,593	\$ 5,122,778	\$ 4,912,963	\$ 2,829,785	\$ 2,555,021	\$ 1,952,509	\$ 62,795,052
2008-09	38,263,152	4,002,746	4,781,632	4,712,151	2,302,013	2,113,531	2,128,980	58,304,205
2007-08	34,346,658	4,069,979	4,929,567	4,488,374	2,097,710	2,632,997	2,220,610	54,785,895
2006-07	30,666,801	3,364,566	4,344,754	3,896,886	2,048,069	2,220,161	2,058,741	48,599,978
2005-06	28,211,145	3,103,750	4,048,697	3,717,675	1,759,129	1,880,582	1,752,411	44,473,389
2004-05	26,518,342	2,563,853	2,741,465	3,640,341	1,724,913	2,153,539	1,162,844	40,505,297
2003-04	23,852,166	2,424,261	2,869,991	3,083,216	1,480,230	1,937,560	1,212,624	36,860,048
2002-03	21,456,624	3,597,988	2,723,030	2,548,817	1,368,743	2,007,094	1,241,410	34,943,706



*Note: No 10-year data available since required reporting began in FY03.
 Governmental activities only, does not include business activities.

Source: District Audits

OTHER FINANCING SOURCES (USES) AND CHANGE IN FUND BALANCES - GOVERNMENTAL FUNDS
Last Ten Fiscal Years

Year ended June 30,	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Deficiency of revenues under expenditures	\$ (3,212,295)	(1,127,792)	(6,011,789)	(14,167,027)	(7,520,076)	(8,631,639)	(11,406,005)	(6,095,218)	(12,002,840)	(8,147,068)
Other financing sources (uses):										
Transfers in	6,310,309	5,112,753	5,397,505	5,392,773	1,248,028	11,225,244	2,804,031	2,091,187	10,537,725	537,775
Transfers out	(6,310,309)	(5,116,982)	(5,397,505)	(5,392,773)	(1,248,028)	(11,241,792)	(2,818,024)	(2,091,187)	(10,537,725)	(537,775)
Sale of bonds	-	-	10,069,074	-	36,920,000	12,155,000	12,025,000	6,300,000	-	-
Sale of property/equipment	-	19,997	358	-	-	-	8,554	214,695	-	133,800
General obligation bond proceeds	-	-	-	-	-	-	-	-	-	3,750,000
Sales tax revenue bond proceeds	-	-	-	-	-	-	-	-	5,565,000	-
Net change in fund balances	\$ (3,212,295)	(1,112,024)	4,057,643	(14,167,027)	29,399,924	3,506,813	613,556	419,477	(6,437,840)	(4,263,268)

Source: Certified Annual Report

**COMPARISONS OF GROWTH IN REVENUE, EXPENDITURES, ENROLLMENT,
ASSESSED VALUATION AND TAX RATES - GENERAL FUND BY YEAR
Last Ten Fiscal Years**

Fiscal Year	Revenue	Growth	Expenditures	Growth	Enrollment	Growth	Assessed Value	Growth	Tax Rate	Growth
2009-10	\$ 54,702,682	5.2%	\$ 55,041,811	5.4%	5,972.1	3.4%	\$ 1,671,325,709	3.3%	14.14840	6.3%
2008-09	52,004,072	7.1%	52,232,962	7.6%	5,776.3	2.5%	1,617,577,430	6.7%	13.30651	1.4%
2007-08	48,564,115	8.8%	48,550,653	12.3%	5,638.1	4.5%	1,515,428,149	6.9%	13.12585	-0.2%
2006-07	44,636,256	12.0%	43,241,313	10.4%	5,396.7	4.1%	1,417,503,306	10.5%	13.14847	-0.2%
2005-06	39,844,239	11.9%	39,164,333	12.4%	5,186.0	6.1%	1,282,307,388	15.9%	13.17896	0.3%
2004-05	35,613,671	9.9%	34,831,387	11.0%	4,885.6	5.9%	1,106,229,055	9.3%	13.13583	4.7%
2003-04	32,405,251	8.8%	31,379,456	5.1%	4,613.2	5.2%	1,012,560,944	14.1%	12.54170	5.5%
2002-03	29,777,544	11.0%	29,870,388	4.9%	4,386.1	4.6%	887,814,005	8.9%	11.89065	8.2%
2001-02	26,831,282	10.7%	28,487,789	8.7%	4,192.1	5.2%	815,294,544	8.8%	10.99253	4.4%
2000-01	24,239,639	4.3%	26,202,424	14.9%	3,984.7	4.6%	749,695,145	7.6%	10.53107	1.5%

Source: Polk County Auditor and Certified Annual Report

TAXABLE ASSESSED VALUATION* BY PROPERTY TYPE
Last Ten Fiscal Years

Collection Year	Residential	Ag Land	Ag Buildings	Commercial	Industrial	Personal	Utilities	Total	Total Direct Rate
2009-10	\$ 1,043,447,980	\$ 4,229,030	\$ 517,200	\$ 571,178,030	\$ 3,368,180	\$ -	\$ 48,585,289	\$ 1,671,325,709	17.3474
2008-09	983,659,730	3,810,630	673,640	581,832,540	3,297,260	-	44,303,630	1,617,577,430	17.3435
2007-08	905,667,150	3,772,140	646,940	561,242,040	3,298,440	-	40,801,439	1,515,428,149	17.3481
2006-07	849,402,510	3,358,070	521,830	520,985,510	3,152,260	-	40,083,126	1,417,503,306	17.3462
2005-06	730,312,876	3,746,610	587,780	497,676,173	2,722,717	-	47,261,232	1,282,307,388	17.3475
2004-05	668,827,186	4,114,630	578,690	380,091,624	2,598,269	-	50,018,656	1,106,229,055	17.2105
2003-04	609,420,161	6,481,470	505,190	342,771,383	2,314,150	-	51,068,590	1,012,560,944	16.7377
2002-03	563,424,609	6,878,360	516,830	265,532,081	2,100,870	745,273	48,615,982	887,814,005	15.6545
2001-02	518,631,796	7,693,210	444,460	235,087,410	1,987,060	1,671,646	49,739,362	815,254,944	15.0983
2000-01	461,112,001	7,725,820	460,050	226,654,770	1,558,730	2,160,822	50,022,949	749,695,142	14.8363

Collection Year	Residential	Ag Land	Ag Buildings	Commercial	Industrial	Personal	Utilities	Total
2009-10	62.4%	0.3%	0.0%	34.2%	0.2%	0.0%	2.9%	100.0%
2008-09	60.8%	0.2%	0.0%	36.0%	0.2%	0.0%	2.7%	100.0%
2007-08	59.8%	0.2%	0.0%	37.0%	0.2%	0.0%	2.7%	100.0%
2006-07	59.9%	0.2%	0.0%	36.8%	0.2%	0.0%	2.8%	100.0%
2005-06	57.0%	0.3%	0.0%	38.8%	0.2%	0.0%	3.7%	100.0%
2004-05	60.5%	0.4%	0.1%	34.4%	0.2%	0.0%	4.5%	100.0%
2003-04	60.2%	0.6%	0.0%	33.9%	0.2%	0.0%	5.0%	100.0%
2002-03	63.5%	0.8%	0.1%	29.9%	0.2%	0.1%	5.5%	100.0%
2001-02	63.6%	0.9%	0.1%	28.8%	0.2%	0.2%	6.1%	100.0%
2000-01	61.5%	1.0%	0.1%	30.2%	0.2%	0.3%	6.7%	100.0%

* Does not include TIF Valuation

Source: Iowa Department of Management

PROPERTY TAX RATES PER \$1,000 ASSESSED VALUATION
DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Fiscal Years

		Overlapping Rates					District Direct Rates					
Levy Year	Collection Year	Polk	Area XI Community			Johnston General	Johnston Capital	Johnston Debt	Johnston Community	Total	Ratio of Johnston CSD to Total	
		County	State	College	City	Special	Purpose	Purpose	Service			School District
City of Des Moines												
2008	2009-10	\$ 10.49853	\$ 0.00340	\$ 0.56008	\$ 16.57614	\$ 0.08005	\$ 14.89988	\$ 1.67000	\$ 0.77750	\$ 17.34738	\$ 45.06558	\$ 0.38494
2007	2008-09	10.72611	0.00350	0.56386	16.57606	0.33994	14.05536	1.67000	1.61817	17.34353	45.55300	0.38073
2006	2007-08	10.72611	0.00350	0.56386	16.57606	0.33994	13.89265	1.67000	1.78548	17.34183	45.55130	0.38071
2005	2006-07	10.76215	0.00350	0.60276	16.59028	0.35918	14.15140	1.67000	1.52483	17.34623	45.66410	0.37987
2004	2005-06	9.55090	0.00400	0.68408	16.52000	0.79301	13.89207	1.67000	1.78541	17.34748	44.89947	0.38636
2003	2004-05	9.60980	0.00400	0.59856	17.05539	0.76702	13.90421	1.67000	1.63632	17.21053	45.24530	0.38038
2002	2003-04	9.40708	0.00400	0.58184	17.04806	0.35518	13.27434	1.67000	1.78533	16.72967	44.12583	0.37914
2001	2002-03	9.34184	0.00400	0.54584	17.04857	0.38033	12.28488	1.00000	2.36958	15.65446	42.97504	0.36427
2000	2001-02	9.63888	0.00500	0.54454	17.04857	0.35432	11.32985	1.00000	2.76844	15.09829	42.68960	0.35368
1999	2000-01	9.25371	0.00500	0.54506	16.57304	0.39163	10.75120	1.00000	3.08520	14.83631	41.60475	0.35660
City of Grimes												
2008	2009-10	10.25833	0.00340	0.56008	12.91004		14.89988	1.67000	0.77750	17.34738	41.07923	0.42229
2007	2008-09	10.17930	0.00350	0.56386	12.96278		14.05536	1.67000	1.61817	17.34353	41.05297	0.42247
2006	2007-08	10.18280	0.00350	0.56386	12.96278	-	13.89265	1.67000	1.78548	17.34183	41.05477	0.42241
2005	2006-07	10.21360	0.00350	0.60276	12.92590	-	14.15140	1.67000	1.52483	17.34623	41.09199	0.42213
2004	2005-06	9.55090	0.00400	0.68408	12.82953	0.39228	13.89207	1.67000	1.78541	17.34748	40.80827	0.42510
2003	2004-05	9.60980	0.00400	0.59856	12.84260	0.35480	13.90421	1.67000	1.63632	17.21053	40.62029	0.42369
2002	2003-04	9.40708	0.00400	0.58184	12.82394	0.35518	13.27434	1.67000	1.78533	16.72967	39.90171	0.41927
2001	2002-03	9.34184	0.00400	0.54584	12.76837	0.38033	12.28488	1.00000	2.36958	15.65446	38.69484	0.40456
2000	2001-02	9.63888	0.00500	0.54454	11.72852	-	11.32985	1.00000	2.76844	15.09829	37.01523	0.40789
1999	2000-01	9.25371	0.00500	0.54506	11.61255	-	10.75120	1.00000	3.08520	14.83631	36.25263	0.40925
City of Johnston												
2008	2009-10	10.28803	0.00340	0.56008	11.26700		14.89988	1.67000	0.77750	17.34738	39.46589	0.43955
2007	2008-09	10.19335	0.00350	0.56386	11.30102		14.05536	1.67000	1.61817	17.34353	39.40526	0.44013
2006	2007-08	10.19685	0.00350	0.56386	11.30102	-	13.89265	1.67000	1.78548	17.34183	39.40706	0.44007
2005	2006-07	10.22677	0.00350	0.60276	11.30298	-	14.15140	1.67000	1.52483	17.34623	39.48224	0.43934
2004	2005-06	9.55090	0.00400	0.68408	10.74278	0.39228	13.89207	1.67000	1.78541	17.34748	38.72152	0.44801
2003	2004-05	9.60980	0.00400	0.59856	10.80991	0.35480	13.90421	1.67000	1.63632	17.21053	38.58760	0.44601
2002	2003-04	9.40708	0.00400	0.58184	10.88788	0.35518	13.27434	1.67000	1.78533	16.72967	37.96565	0.44065
2001	2002-03	9.34184	0.00400	0.54584	10.89082	0.38033	12.28488	1.00000	2.36958	15.65446	36.81729	0.42519
2000	2001-02	9.63888	0.00500	0.54454	11.19234	-	11.32985	1.00000	2.76844	15.09829	36.47905	0.41389
1999	2000-01	9.25371	0.00500	0.54506	9.93838	-	10.75120	1.00000	3.08520	14.83631	34.57846	0.42906
City of Urbandale												
2008	2009-10	10.33903	0.00340	0.56008	9.32000	0.08005	14.89988	1.67000	0.77750	17.34738	37.64994	0.46075
2007	2008-09	10.35478	0.00350	0.56386	9.22000	0.33994	14.05536	1.67000	1.61817	17.34353	37.82561	0.45851
2006	2007-08	10.35828	0.00350	0.56386	9.22000	0.33994	13.89265	1.67000	1.78548	17.34183	37.82741	0.45845
2005	2006-07	10.33434	0.00350	0.60276	9.22000	0.35918	14.15140	1.67000	1.52483	17.34623	37.86601	0.45810
2004	2005-06	9.55090	0.00400	0.68408	9.07010	0.79301	13.89207	1.67000	1.78541	17.34748	37.44957	0.46322
2003	2004-05	9.60980	0.00400	0.59856	9.07306	0.76702	13.90421	1.67000	1.63632	17.21053	37.26297	0.46187
2002	2003-04	9.40708	0.00400	0.58184	9.07000	0.35518	13.27434	1.67000	1.78533	16.72967	36.14777	0.46281
2001	2002-03	9.34184	0.00400	0.54584	8.97000	0.38033	12.28488	1.00000	2.36958	15.65446	34.89647	0.44860
2000	2001-02	9.63888	0.00500	0.54454	11.19234	-	11.32985	1.00000	2.76844	15.09829	36.47905	0.41389
1999	2000-01	9.25371	0.00500	0.54506	8.97000	0.39163	10.75120	1.00000	3.08520	14.83631	34.00171	0.43634

Source: Polk County Auditor

**PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND TEN YEARS AGO**

Taxpayer	2010			2001		
	2008* Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
Pioneer Hi-Bred International, Inc.	\$ 75,403,650	1	4.51%	\$ 42,405,300	2	5.20%
John Deere Credit	33,823,000	2	2.02%	-		0.00%
Gaileo Haymarket Karam LLC	20,534,000	3	1.23%	-		0.00%
Mid-American Inv. Co.	16,437,000	4	0.98%	45,903,690	1	5.63%
MFR Partners III	16,187,000	5	0.97%	-		0.00%
Target Corp.	13,780,000	6	0.82%	-		0.00%
Spirit SPE Johnston LLC	11,240,000	7	0.67%	-		0.00%
Village Court	11,206,660	8	0.67%	15,836,310	3	1.94%
Village Square LLC	10,919,000	9	0.65%	-		0.00%
Ladco Properties	10,740,000	10	0.64%	-		0.00%
New Plan Realty Trust	-		0.00%	14,105,000	4	1.73%
Green Meadows LTD	-		0.00%	11,719,190	5	1.44%
Carmike Cinemas	-		0.00%	10,212,160	6	1.25%
Merit Fund VII	-		0.00%	7,917,000	7	0.97%
AMCENA Properties (Maurices)	-		0.00%	7,712,090	8	9.50%
Merit Westchester Square	-		0.00%	5,992,000	9	0.73%
Jared Johnston	-		0.00%	5,719,520	10	0.70%
Total	\$ 220,270,310		13.18%	\$ 167,522,260		20.55%

Total taxable value \$ 1,671,325,709

*Basis for taxes paid in FY09
Source: Polk County Auditor

**PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	2010			2001		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Pioneer Hi-Bred International, Inc.	2,200	1	*	1,400	1	*
John Deere Credit	1,100	2	*	*	*	*
Childserve	1,025	3	*	*	*	*
Johnston Community Schools	840	4	*	514	3	*
Iowa National Guard	704	5	*	750	2	*
Heartland Area Education Agency	250	6	*	215	5	*
Bishop Drumm Care Center	245	7	*	120	9	*
Children's Habilitation Center	175	8	*	185	7	*
Iowa Public Television	127	9	*	100	10	*
ITS Inc.	125	10	*	150	8	*
Village Square Shopping Center	*	*	*	235	4	*
Maurices	*	*	*	200	6	*
Total	6,791			3,869		

*Information not available
Source: City of Johnston/audit

PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Year ended June 30,	Taxies Levied for the Fiscal Year	Collected Within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2010	\$ 28,298,368	\$ 28,234,121	99.77%	\$ 20,791	\$ 28,254,912	99.85%
2009	26,504,811	26,457,754	99.82%	10,201	26,467,955	99.86%
2008	24,845,334	24,792,959	99.79%	10,390	24,803,349	99.83%
2007	23,739,889	23,704,456	99.85%	465	23,704,921	99.85%
2006	21,014,237	21,009,964	99.98%	1,422	21,011,386	99.99%
2005	19,436,154	19,389,521	99.76%	4,288	19,393,809	99.78%
2004	17,266,798	17,300,731	100.20%	(183)	17,300,548	100.20%
2003	14,376,833	14,323,365	99.63%	(670)	14,322,695	99.62%
2002	12,637,902	12,585,670	99.59%	868	12,586,538	99.59%
2001	11,371,269	11,474,387	100.91%	962	11,475,349	100.92%

*Information not available

Source: Polk County Cash Management

PROPERTY TAX RATES**Last Ten Fiscal Years**

Fiscal Year	General	Mngt.	Reg. PPEL	Voted PPEL	Debt Service	Total
2009-10	\$ 14.14840	\$ 0.75148	\$ 0.33000	\$ 1.34000	\$ 0.77750	\$ 17.34738
2008-09	13.30651	0.74885	0.33000	1.34000	1.61817	17.34353
2007-08	13.12585	0.76680	0.33000	1.34000	1.78548	17.34813
2006-07	13.14847	1.00293	0.33000	1.34000	1.52483	17.34623
2005-06	13.17896	0.71311	0.33000	1.34000	1.78541	17.34748
2004-05	13.13583	0.76838	0.33000	1.34000	1.63632	17.21053
2003-04	12.54170	0.74070	0.33000	1.34000	1.78533	16.73773
2002-03	11.89065	0.39423	0.33000	0.67000	2.36958	15.65446
2001-02	10.99253	0.33732	0.33000	0.67000	2.76844	15.09829
2000-01	10.53107	0.22009	0.33000	0.67000	3.08515	14.83631

Source: District records

PROPERTY TAX COLLECTION HISTORY**Last Ten Fiscal Years**

Fiscal Year	Amount Levied	Amount Collected	Percentage Collected
2009-10	\$ 28,307,067	\$ 28,268,660	99.86%
2008-09	26,569,962	26,493,404	99.71%
2007-08	24,906,887	24,131,034	96.88%
2006-07	23,758,496	23,620,489	99.42%
2005-06	20,309,486	20,307,113	99.99%
2004-05	19,467,819	19,389,568	99.60%
2003-04	17,341,078	17,315,386	99.85%
2002-03	14,389,451	14,312,952	99.47%
2001-02	12,651,417	12,576,873	99.41%
2000-01	11,379,847	10,982,032	96.50%
Average Percentage Collected			98.81%

Source: Certified Annual Report

PROPERTY TAX LIABILITY
Last Ten Fiscal Years

Fiscal Year	Assessed Value	Rollback	Taxable Value	Rate	Tax Liability	Change Dollars	Percent
2009-10	\$ 200,000	45.59%	\$ 91,180	\$ 17.34738	\$ 1,582	\$ 52	3.4%
2008-09	200,000	44.08%	88,160	17.34942	1,530	(51)	-3.2%
2007-08	200,000	45.56%	91,120	17.34772	1,581	(15)	-0.9%
2006-07	200,000	46.00%	92,000	17.34623	1,596	(68)	-4.1%
2005-06	200,000	47.96%	95,920	17.34748	1,664	(4)	-0.2%
2004-05	200,000	48.46%	96,912	17.21053	1,668	(52)	-3.0%
2003-04	200,000	51.39%	102,775	16.73772	1,720	102	6.3%
2002-03	200,000	51.67%	103,335	15.65446	1,618	(81)	-4.8%
2001-02	200,000	56.27%	112,530	15.09829	1,699	71	4.4%
2000-01	200,000	54.85%	109,705	14.83631	1,628	(66)	-3.9%

Source: District records, Polk County Assessor

RATIOS OF GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years
(dollars in thousands, except per capita)

Fiscal Year	Population	Assessed Value Property	Legal Debt Limit (5%)	General Obligation Bonds	Debt to Assessed Value	Per Capita
2010*	15,691	\$ 2,918,061,958	\$ 145,903,098	\$ 42,695,000	1.46%	\$ 2,721
2009*	15,691	2,828,115,740	141,405,787	45,235,000	1.60%	2,883
2008*	15,691	2,700,333,561	135,016,678	47,690,000	1.77%	3,039
2007*	15,261	2,390,757,791	119,537,890	40,055,000	1.68%	2,625
2006*	15,076	2,084,408,874	104,220,444	44,835,000	2.15%	2,974
2005**	13,596	1,955,589,136	97,779,457	16,815,000	0.86%	1,237
2004*	12,834	1,709,937,084	85,496,854	18,050,000	1.06%	1,406
2003*	11,742	1,426,451,515	71,322,576	19,200,000	1.35%	1,635
2002*	10,483	1,222,199,774	61,109,989	20,580,000	1.68%	1,963
2001*	9,506	1,136,728,451	56,836,423	31,950,000	2.81%	3,361

*Estimated

**Special census

Source: Polk County Auditor and District Records

OUTSTANDING DEBT BY TYPE

Last Ten Fiscal Years

(dollars in thousands, except per capita)

Fiscal Year	Governmental Activities				Total**	100% Assessed Valuation *
	General Obligation Bonds	Sales Tax Revenue Bonds	Equipment and Capital Loan Notes			
2010	\$ 42,695,000	\$ -	\$ 2,120,000	\$	44,815,000	\$ 2,918,061,958
2009	45,235,000	2,470,000	2,780,000		50,485,000	2,828,115,740
2008	47,690,000	4,885,000	3,430,000		56,005,000	2,700,333,561
2007	40,055,000	7,250,000	4,065,000		51,370,000	2,390,757,791
2006	44,835,000	9,500,000	4,690,000		59,025,000	2,084,408,874
2005	16,815,000	9,500,000	5,300,000		31,615,000	1,955,589,136
2004	18,050,000	7,485,000	5,900,000		31,435,000	1,709,937,084
2003	19,200,000	3,830,000	-		23,030,000	1,426,451,515
2002	20,580,000	5,565,000	-		26,145,000	1,222,199,774
2001	31,950,000	-	-		31,950,000	1,136,728,451

* Includes TIF Valuation

** Total Indebtedness indicates amount of debt at the end of the fiscal year.

***Source: Office of Social & Economic Trend Analysis at www.seta.iastate.edu

****Source: Iowa Workforce, data available for Polk County and particular cities.
However, no data for Johnston, so used Urbandale, neighboring district.

NA-Information not available

Percent of Actual Taxable Value of Property	Population***	Per Capita	Personal Income (000's)****	Percentage of Personal Income
1.54%	15,691	\$ 2,856	NA	NA
1.79%	15,691	3,217	NA	NA
2.07%	15,691	3,569	NA	NA
2.15%	15,261	3,366	NA	NA
2.83%	15,076	3,915	NA	NA
1.62%	13,596	2,325	15,754,629	0.20%
1.84%	12,834	2,449	15,002,909	0.21%
1.61%	11,742	1,961	13,872,647	0.17%
2.14%	10,483	2,494	13,421,332	0.19%
2.81%	9,506	3,361	12,735,942	0.25%

LEGAL DEBT MARGIN INFORMATION**Last Ten Fiscal Years**

Legal Debt Margin Calculation for Fiscal Year 2010 \$2,918,061,958

Debt limit (5% of assessed value)	\$145,903,098
Debt applicable to limit	44,815,000
Legal debt margin	\$101,088,098

Year ended June 30,	2010	2009	2008	2007	2006	2005
Debt limit	\$ 145,903,098	141,405,787	135,016,678	126,186,732	104,220,444	97,687,634
Total net debt applicable to limit	44,815,000	50,485,000	56,005,000	51,370,000	59,025,000	31,615,000
Legal debt margin	101,088,098	90,920,787	79,011,678	74,816,732	45,195,444	66,072,634
Total net debt applicable to the limit as a percentage of debt limit	31%	36%	41%	41%	57%	32%

Source: Polk County Auditor and District Records

2004	2003	2002	2001	2000
85,496,854	71,322,576	61,109,989	59,987,994	59,987,994
31,435,000	23,030,000	26,145,000	31,950,000	33,195,000
54,061,854	48,292,576	34,964,989	28,037,994	26,792,994
37%	32%	43%	53%	55%

DEBT LIMIT

The amount of general obligation debt a political subdivision of the State of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of property within the corporate limits, taken from the last County Tax list. The district's debt limit, based upon said valuation, amounts to the following:

Actual value of property, 2009:	\$ 2,918,061,958
	0.05
Debt Limit:	<u>\$ 145,903,098</u>

Total Direct Debt = \$ 44,815,000 or 30.7% of debt limit.

*Includes TIF valuation of \$97,614,060

OVERLAPPING AND UNDERLYING DEBT

Issuer	Outstanding Debt	Total Taxable Valuation	Valuation Within Issuer	Percent Applicable	Amount Applicable
Polk County	\$207,609,000	19,700,035,299	1,773,728,907	9.00%	18,692,458
DMACC	81,085,000	35,124,092,931	1,773,728,907	5.05%	4,094,705
Heartland AEA 11	725,000	35,124,092,931	1,773,728,907	5.05%	36,612
Urbandale San Sewer Dist	-	1,934,010,727	378,315,426	19.56%	-
City of Des Moines	490,348,912	7,021,443,366	136,926,245	1.95%	9,562,369
City of Grimes	25,604,275	408,238,352	96,123,078	23.55%	6,028,737
City of Johnston	58,094,831	1,052,384,242	1,052,384,242	100.00%	58,094,831
City of Urbandale	43,718,931	2,113,799,491	372,449,648	17.62%	7,703,238
Subtotal, overlapping debt	<u>\$907,185,949</u>				<u>\$104,212,951</u>
District direct debt:					
General obligation	\$ 42,695,000			100%	\$ 42,695,000
Capital loan notes	2,120,000			100%	2,120,000
Sales tax revenue	-			100%	-
Total direct and overlapping debt	<u>\$952,000,949</u>				<u>\$149,027,951</u>

Source: Polk County Auditor, Government Offices

PLEDGED REVENUE COVERAGE
Last Ten Fiscal Years

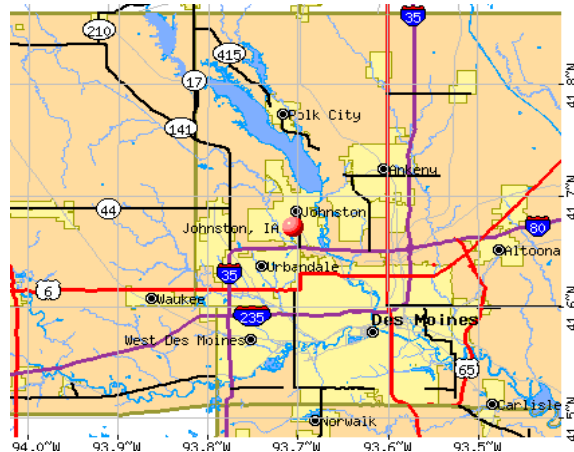
Year Ended June 30,	Bonds Issued	Local Option Sales Tax Revenue Bonds					Coverage
		Revenue	Debt Service		Total		
			Principal	Interest			
2010	*	*	*	*	*	*	
2009	\$ -	\$ 5,690,221	\$ 2,415,000	\$ 112,532	\$ 2,527,532	2.25129533	
2008	-	5,452,532	2,365,000	185,666	2,550,666	2.13768953	
2007	-	5,541,955	2,350,000	1,834,225	4,184,225	1.32448781	
2006	-	4,710,741	-	-	-	*	
2005	12,155,000	4,485,570	10,140,000	229,231	10,369,231	0.43258463	
2004	5,525,000	4,074,403	1,870,000	184,047	2,054,047	1.98359775	
2003	-	3,859,969	1,735,000	196,544	1,931,544	1.99838523	
2002	5,565,000	3,570,317	10,000,000	537,725	10,537,725	0.33881288	
2001	10,000,000	3,866,882	-	537,775	537,775	7.1905202	

Source: District Records

*Coverage ratio not applicable as no debt payment in this fiscal year

GENERAL INFORMATION

The Johnston Community School District is located in central Iowa within the Des Moines Metropolitan area. Included within the District's 25,370 acres are the cities of Johnston and portions of Des Moines, Urbandale and Grimes. Transportation facilities are provided by U.S. Interstates 35 & 80, Iowa Highway 141, as well as numerous paved county roads. Commercial airline service is available at the Des Moines International Airport. Commercial development within the District has been greatly enhanced by the continued growth of the northwestern portion of the metropolitan area. Residential growth and recreational opportunities within the District have been enhanced by the construction of Saylorville Lake, a U.S. Corps of Engineers flood control dam impounding the Des Moines River.



The three major employers within the District are Pioneer Hi-Bred International, Inc., John Deere Credit, and Childserve. Pioneer Hi-Bred International, Inc. is an internationally known producer of hi-bred seed. With over 2,000 employees within the District, Pioneer's facilities within Johnston (approximately 500,000 square feet office and laboratory space) include the Central Division Offices, Plant Breeding Division, Pioneer Data Systems Division, and Green Meadows Limited. John Deere Credit provides retail, wholesale and lease financing as well as revolving credit to help facilitate the sale of John Deere agricultural, construction and forestry, and commercial and consumer equipment. ChildServe is a not-for-profit organization that partners with families to help children with special health care needs.

Continuing education centers within commuting distance include: Drake University, Des Moines; Grand View College, Des Moines; University of Osteopathic Medicine, Des Moines; Iowa State University of Science and Technology, Ames; Simpson College, Indianola; and Area XI Des Moines Area Community College, Ankeny.

POPULATION

Calendar Year	Population	Personal Income (000's)	Per Capita Personal Income	Unemployment Rate - %
2009*	15,691	NA	NA	5.6
2008*	15,691	NA	NA	4.1
2007*	15,261	\$ 17,538,839	\$ 41,992	3.4
2006*	15,076	16,755,221	40,764	2.9
2005**	13,596	15,754,629	39,215	2.9
2004*	12,834	15,002,909	38,058	2.7
2003*	11,742	13,872,647	35,583	2.4
2002*	10,483	13,421,332	34,817	2.1
2001*	9,506	12,735,942	33,461	1.7
2000	8,649	12,299,159	32,725	1.4
1999*	8,149	11,636,115	31,399	1.1
1998*	7,649	11,031,940	30,217	1.2
1997*	7,149	10,155,903	28,134	1.5

*Estimated

**Special Census

(1) Source: Office of Social & Economic Trend Analysis - www.seta.iastate.edu

(2) Source: Iowa Workforce, data available for Polk County and particular cities.

No data available for Johnston, therefore used Urbandale, a neighboring district.

NA-Information not available

CENSUS FIGURES BY AGE GROUP - 2000

	Johnston	Urbandale	Des Moines
Under 19 years	31.5%	28.5%	27.8%
20 to 24 years	3.4%	4.8%	7.6%
25 to 44 years	31.6%	31.3%	31.8%
45 to 64 years	22.6%	24.6%	20.4%
65 to 84 years	8.7%	9.6%	10.5%
85 and over	2.2%	1.7%	1.8%
Median Age	36.3	37.0	33.8

Source: U.S. Census

RETAIL SALES (IN MILLIONS)

Year ended*	Johnston	Des Moines	Polk County	State
2010	NA	NA	NA	NA
2009	\$ 156.1	\$ 3,300.1	\$ 6,471.3	\$ 33,559.9
2008	174.1	3,470.7	6,571.6	33,089.0
2007	134.0	3,418.1	6,473.5	31,645.7
2006	126.1	3,502.6	6,462.9	31,108.3
2005	124.3	3,418.1	6,173.6	29,805.3
2004	110.7	3,492.3	6,035.2	29,099.3
2003	98.2	3,713.2	6,190.4	28,704.9
2002	87.4	3,789.7	6,052.8	28,446.6
2001	77.7	3,994.6	6,111.4	28,481.7
2000	77.2	4,108.0	6,061.1	27,586.1
1999	57.7	4,054.9	5,848.5	26,770.7
1998	48.2	3,944.1	5,527.4	NA
1997	44.2	3,935.5	5,396.5	NA
1996	45.4	3,844.2	5,167.4	NA
1995	43.0	3,683.0	4,910.4	NA

* Year ended March 31 through 2008, and June 30 for year ended 2009 and beyond

NA - Information not available.

Source: Iowa Department of Revenue & Finance

BANK DEPOSITS

Institution	June 30, 2010	
	Deposits inside Market	
Charter Bank	\$	67,865,000
Polk County Bank		63,824,000
Wells Fargo Bank		56,465,000
Bank of the West		25,078,000
Community State Bank		23,354,000
Bank Iowa		15,997,000
First Bank		10,100,000
Greater Southern Bank		6,005,000
ITS Bank		500,000
	\$	269,188,000

Source: FDIC Deposit Market Share Report, Zip Code 50131

RESIDENTIAL CONSTRUCTION BY NUMBER OF DWELLING UNITS

Year	Single Family	Townhome	Multi-family	(# Multi-family living units)	Totals
2009	98	123	0	0	221
2008	78	22	0	0	100
2007	130	68	0	0	198
2006	190	175	0	0	365
2005	269	100	0	0	369
2004	324	65	0	0	389
2003	253	90	24	204	571
2002	226	30	19	152	427
2001	206	98	4	32	340
2000	130	78	0	0	208
1999	252	93	0	0	345
1998	186	77	0	0	263
1997	174	2	0	0	176
1996	167	17	0	0	184
1995	141	0	0	0	141
1994	96	6	6	144	252
1993	65	13	0	0	78
1992	60	5	0	0	65
1991	46	9	0	0	55
1990	24	2	1	60	87
Total	3,115	1,073	54	592	4,834

Source: City of Johnston Planning Department

DISTRICT STAFFING LEVELS -- General Fund (FTE)
Last Ten Fiscal Years

	For Fiscal Year ended June 30,									
	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Administration:										
Superintendent	1.0	1.0	1.0	1.0	1.0	1	1	1	1	1
Assoc. Supt.	1.0	1.0	1.0	1.0	1.0	1	1	1	1	1
Principals	8.0	8.0	7.0	7.0	7.0	7	6	6	6	5
Assist. Principals	4.0	4.0	9.0	9.0	9.0	4	4	4	4	4
Other Admin.	8.0	8.0	3.0	2.0	2.0	2	2	2	2	2
Total Administration	22.0	22.0	21.0	20.0	20.0	15	14	14	14	13
Supervisors/ Coordinators/Managers	6.0	6.0	6.0	6.0	6.0	6	6	6	6	4
Instruction:										
Teachers	400.4	393.5	364.1	331.2	324.3	309	287	287	287	280
Counselors	12.5	14.5	12.0	11.0	9.5	7	7	7	7	7
Media Spec.	8.0	8.0	8.0	7.0	7.0	6	6	6	6	5
Other Instructors	3.0	3.0	3.0	4.0	4.0	4	4	4	4	9
Total Instruction	423.9	419.0	387.1	353.2	344.8	326	304	304	304	301
Professional/Other										
Nurses	8.3	7.3	7.0	6.0	6.0	6	6	6	6	5
Other Professional Staff	8.0	8.0	7.5	6.0	6.0	10	6	6	6	9
Total Professional/Other	16.3	15.3	14.5	12.0	12.0	16	12	12	12	14
Instructional Support Personnel:	135.0	135.0	124.0	114.6	114.6	112	125	125	123	
Support Personnel:										
Office/Clerical	32.0	32.0	29.0	25.0	24.0	23	25	25	25	22
Transportation	52.0	55.0	55.0	48.0	40.0	26	48	48	45	
Op. & Maintenance	41.5	44.0	44.0	38.0	38.0	36	31	31	31	
Service Personnel	4.0	5.0	5.0	5.0	5.0	-	-	-	-	185
Total Support Personnel	129.5	136.0	133.0	116.0	107.0	84	104	104	101	207
Grand Totals	732.7	733.3	685.6	621.8	604.4	559	565	565	560	539
Certified Enrollment	5,972	5,776	5,638	5,398	5,167	4,920	4,615	4,372	4,192	3,985
Employees/Student	8.2	7.9	8.2	8.7	8.5	8.8	8.2	7.7	7.5	7.4
Pupil/Teacher	14.1	13.8	14.6	15.3	15.0	15.1	15.2	14.4	13.8	13.2

Source: District Data

OPERATING COST PER PUPIL
Last Ten Fiscal Years

Fiscal Year		Total Costs	Daily Average Membership	General Fund Operating Expenses Per Pupil	Free or Reduced Percentage
2009-10	\$	55,041,811	6,022	\$9,140	14.20%
2008-09		52,232,942	5,773	9,048	12.90%
2007-08		48,563,110	5,666	8,571	10.50%
2006-07		43,254,757	5,236	8,261	10.70%
2005-06		39,164,333	4,958	7,899	9.20%
2004-05		34,831,387	4,898	7,111	6.80%
2003-04		31,379,456	4,534	6,921	5.52%
2002-03		29,870,388	4,386	6,810	5.03%
2001-02		28,487,789	4,154	6,858	3.24%
2000-01		26,202,424	3,983	6,579	4.60%

Source: 2010 Certified Annual Report/Project Easier
Condition of Education Report

GENERAL ANALYSIS OF FACILITIES
Last Ten Fiscal Years

	2010	2009	2008	2007	2006	2005	2004	2003	2002	2001
Elementary Schools:										
Lawson K-5 (1958, 1960, 1967, 1998)										
Square Feet	63,353	63,353	63,353	63,353	63,353	63,353	63,353	63,353	63,353	63,353
Number of classrooms	38	38	38	38	38	38	38	38	38	38
Enrollment	502	474	486	500	454	464	445	463	463	623
Wallace PK-5 (1987, 1989)										
Square Feet	66,064	66,064	66,064	66,064	66,064	66,064	66,064	66,064	66,064	66,064
Number of classrooms	44	44	44	44	44	44	44	44	44	44
Enrollment	553	505	482	568	553	499	496	500	500	456
Beaver Creek K-5 (1997, 2001)										
Square Feet	101,145	101,145	101,145	101,145	101,145	101,145	101,145	101,145	101,145	101,145
Number of classrooms	45	45	45	45	45	45	45	45	45	45
Enrollment	746	670	653	858	799	743	688	623	623	803
Horizon K-5 (2001)										
Square Feet	100,506	100,506	100,506	100,506	100,506	100,506	100,506	100,506	100,506	N/A
Number of classrooms	44	44	44	44	44	44	44	44	44	N/A
Enrollment	687	610	571	650	605	579	556	533	533	N/A
Timber Ridge K-5 (2007)										
Square Feet	111,281	111,281	111,281	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Number of classrooms	42	42	42	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Enrollment	569	540	537	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Middle Schools:										
Summit Middle School 6-7 (2004, 2007)										
Square Feet	184,680	184,680	184,680	184,680	176,680	176,680	N/A	N/A	N/A	N/A
Number of classrooms	66	66	66	67	66	66	N/A	N/A	N/A	N/A
Enrollment	948	913	832	793	833	826	N/A	N/A	N/A	N/A
Johnston Middle School 8-9 (1984, 1990)										
Square Feet	168,366	168,366	168,366	168,366	168,366	168,366	168,366	168,366	168,366	168,366
Number of classrooms	68	68	68	68	68	68	68	68	68	68
Enrollment	862	813	846	854	792	785	1,139	1,062	1,062	895
High School:										
Johnston High School 9-12 (1972, 1977, 1994, 2008)										
Square Feet	263,829	263,829	263,829	213,829	213,829	213,829	213,829	213,829	213,829	213,829
Number of classrooms	88	88	71	71	71	71	71	71	71	71
Enrollment	1320	1287	1,249	1,175	1,120	1,015	1,254	1,201	1,201	1,136
Other facilities:										
Administrative Resource Center (2000)										
Square Feet	16,509	16,509	16,509	16,509	16,509	16,509	16,509	16,509	16,509	16,509
Transportation (2000)										
Square Feet	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400	6,400
Wallace Annex (1987)										
Square Feet	5,405	5,405	5,405	5,405	5,405	5,405	5,405	5,405	5,405	5,405
Number of classrooms	3	3	3	3	3	3	3	3	3	3
Warehouse (2000) and BG (2010)										
Square Feet	9,300	7,935	7,935	7,935	7,935	7,935	7,935	7,935	7,935	7,935

Source: District Information

SCHEDULE OF INSURANCE COVERAGE
June 30, 2010

Company	Type of Policy	Period	
		From	To
Employers Mutual Companies	Business Protection - property coverage	7/1/2009	6/30/2010
Employers Mutual Companies	Business Protection - General Comprehensive Liability	7/1/2009	6/30/2010
Employers Mutual Companies	Business Protection - Automobile	7/1/2009	6/30/2010
Employers Mutual Companies	Business Protection- Crime Coverage	7/1/2009	6/30/2010
Employers Mutual Companies	Workers' Compensation	7/1/2009	6/30/2010
Employers Mutual Companies	Umbrella Liability	7/1/2009	6/30/2010
Employers Mutual Companies	Linebacker Policy - Errors and Omission Coverage	7/1/2009	6/30/2010
Employers Mutual Companies	Pollution Liability	7/1/2009	6/30/2010
Employers Mutual Companies	Excess Liability	7/1/2009	6/30/2010
Auto Insurer Flood Insurance	Flood	7/1/2009	6/30/2010

Source: District Records

Note: The dollar amount for self insured reflects the amount paid during fiscal year 2010.

Liability Limits	Annual Premium
Building and property replacement; blanket boiler and vessels - business interruption and extra expense	\$ 151,669
General aggregate - \$2,000,000; personal advertising limit - \$1,000,000; products/completed operations - \$2,000,000 aggregate; fire damage - \$100,000; any one occurrence limit \$1,000,000; medical expense - \$5,000	25,672
\$1,000,000 liability insurance/\$5,000 auto medical per person; \$1,000,000 uninsured motorist; \$1,000,000 underinsured motorist	41,987
Employee Theft per employee \$1,000,000; forgery or alterations \$10,000; Computer Fraud \$50,000; Funds Transfer fraud \$50,000	2,706
Self Insured-\$350,000 retention per occurrence, \$500,000 employer's liability maximum limit of indemnity per occurrence	64,377
\$10,000,000 Umbrella	23,440
\$1,000,000 Linebacker	7,029
\$500,000 each incident, \$1,000,000 aggregate	1,125
DIC \$10,000,000 limit	9,373
Transportation Building	1,272
Total Premium	<u>\$ 328,650</u>



Johnston Community School District
Schedule of Expenditures of Federal Awards
Year ended June 30, 2010

Grantor/Program	CFDA Number	Grant Number	Expenditures
Indirect:			
U.S. Department of Agriculture:			
Iowa Department of Education:			
School Nutrition Cluster Programs:			
School Breakfast Program	10.553	FY 10	\$ 50,808
National School Lunch Program	10.555	FY 10	442,879
National School Lunch Program - USDA Commodities	10.555	FY 10	212,771
			<u>706,458</u>
Child and Adult Care Food Program	10.558	FY 10	<u>4,500</u>
Team Nutrition Grant	10.574	FY 10	<u>8,805</u>
U.S. Department of Education:			
Iowa Department of Education:			
Title I Grants to Local Educational Agencies	84.010	FY 10	<u>99,235</u>
Title I Program for Neglected & Delinquent Children	84.013	FY 10	<u>85,136</u>
Vocational Education - Basic Grants to States	84.048	FY 10	<u>24,997</u>
Safe and Drug-Free Schools and Communities- National Programs	84.184	FY 10	<u>9,498</u>
Improving Teacher Quality State Grants	84.367	FY 10	<u>64,017</u>
Grants for State Assessments	84.369	FY 10	<u>37,642</u>
ARRA - State Fiscal Stabilization Fund(SFSF) - Education State Grants, Recovery Act	84.394	FY 10	<u>2,483,176</u>
Heartland Area Education Agency			
Special Education Cluster (IDEA):			
Special Education - Grants to States	84.027	FY 10	291,448
ARRA - Special Education - Grants to States, Recovery Act	84.391	FY 10	318,770
			<u>610,218</u>
Total			<u>\$ 4,133,682</u>

Basis of Presentation - The Schedule of Expenditures of Federal Awards includes the federal grant activity of the Johnston Community School District and is presented on the accrual or modified accrual basis of accounting. The information on this schedule is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

See accompanying independent auditor's report.





Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

To the Board of Education of Johnston Community School District:

We have audited the accompanying financial statements of the governmental activities, the business type activities, each major fund and the aggregate remaining fund information of the Johnston Community School District, Johnston, Iowa, as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements listed in the table of contents and have issued our report thereon dated October 25, 2010. We conducted our audit in accordance with U.S. generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Johnston Community School District's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Johnston Community School District's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Johnston Community School District's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Johnston Community School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, non-compliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of non-compliance or other matters that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of non-compliance or other matter that is described in Part IV of the accompanying Schedule of Findings and Questioned Costs as item IV-G-10.

Comments involving statutory and other legal matters about the District's operations for the year ended June 30, 2010 are based exclusively on knowledge obtained from procedures performed during our audit of the financial statements of the District. Since our audit was based on tests and samples, not all transactions that might have had an impact on the comments were necessarily audited. The comments involving statutory and other legal matters are not intended to constitute legal interpretations of those statutes.

Johnston Community School District's responses to findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we have expressed our conclusions on the District's responses, we did not audit Johnston Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Johnston Community School District and other parties to whom Johnston Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

We would like to acknowledge the many courtesies and assistance extended to us by personnel of Johnston Community School District during the course of our audit. Should you have any questions concerning any of the above matters, we shall be pleased to discuss them with you at your convenience.

Van Maanen, Sietstra & Meyer, PC

Van Maanen, Sietstra & Meyer, PC
Certified Public Accountants

October 25, 2010

**Independent Auditor's Report on Compliance with Requirements Applicable
to Each Major Program and on Internal Control over Compliance
in Accordance with OMB Circular A-133**

To the Board of Education of Johnston Community School District:

Compliance

We have audited the compliance of Johnston Community School District with the types of compliance requirements described in U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. Johnston Community School District's major federal programs are identified in Part I of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grant agreements applicable to each of its major federal programs is the responsibility of Johnston Community School District's management. Our responsibility is to express an opinion on Johnston Community School District's compliance based on our audit.

We conducted our audit of compliance in accordance with U.S. generally accepted auditing standards, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Johnston Community School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Johnston Community School District's compliance with those requirements.

In our opinion, Johnston Community School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control Over Compliance

The management of Johnston Community School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grant agreements applicable to federal programs. In planning and performing our audit, we considered Johnston Community School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Johnston Community School District's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and, therefore, there can be no assurance all deficiencies, significant deficiencies or material weaknesses have been identified.

A deficiency in the District's internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance such that there is a reasonable possibility material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected and corrected on a timely basis.

Johnston Community School District's responses to the findings identified in our audit are described in the accompanying Schedule of Findings and Questioned Costs. While we expressed our conclusions on the District's responses, we did not audit Johnston Community School District's responses and, accordingly, we express no opinion on them.

This report, a public record by law, is intended solely for the information and use of the officials, employees and citizens of Johnston Community School District and other parties to whom Johnston Community School District may report, including federal awarding agencies and pass-through entities. This report is not intended to be and should not be used by anyone other than these specified parties.

Van Maanen, Sietstra & Meyer, PC

Van Maanen, Sietstra & Meyer, PC
Certified Public Accountants

October 25, 2010

Part I: Summary of the Independent Auditor's Results

- (a) Unqualified opinions were issued on the financial statements.
- (b) No material weaknesses in internal control over financial reporting were disclosed by the audit of the financial statements.
- (c) The audit did not disclose any non-compliance which is material to the financial statements.
- (d) No material weaknesses in internal control over major programs were disclosed by the audit of the financial statements.
- (e) An unqualified opinion was issued on compliance with requirements applicable to each major program.
- (f) Major programs were as follows:
 - CFDA Number 84.394 – ARRA - State Fiscal Stabilization Fund (SFSF) – Education State Grants, Recovery Act
 - Clustered programs:
 - CFDA Number 10.553 - School Breakfast Program
 - CFDA Number 10.555 - National School Lunch Program
 - Clustered programs:
 - CFDA Number 84.027 – Special Education – Grants to States (IDEA, Part B)
 - CFDA Number 84.391 – Special Education – Grants to States (IDEA, Part B), Recovery Act
- (g) The dollar threshold used to distinguish between Type A and Type B programs was \$300,000.
- (h) Johnston Community School District qualified as a low-risk auditee.

Part II: Findings Related to the Financial Statements

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

Part III: Findings and Questioned Costs for Federal Awards

INSTANCES OF NON-COMPLIANCE:

No matters were noted.

INTERNAL CONTROL DEFICIENCIES:

No matters were noted.

Part IV: Other Findings Related to Required Statutory Reporting

- IV-A-10 Certified Budget – Expenditures for the year ended June 30, 2010 did not exceed the certified budget amounts.
- IV-B-10 Questionable Expenditures - No expenditures were noted that may not meet the requirements of public purpose as defined in an Attorney General's opinion dated April 25, 1979.
- IV-C-10 Travel Expense - No expenditures of District money for travel expenses of spouses of District officials or employees were noted. No travel advances to District officials or employees were noted.
- IV-D-10 Business Transactions - No business transactions were noted between the District and District officials or employees.
- IV-E-10 Bond Coverage - Surety bond coverage of District officials and employees is in accordance with statutory provisions. The amount of coverage should be reviewed annually to ensure that coverage is adequate for current operations.
- IV-F-10 Board Minutes - No transactions were noted requiring Board approval which had not been approved by the Board.
- IV-G-10 Certified Enrollment – A variance in the basic enrollment data certified to the Department of Education was noted.
- Recommendation – The certified enrollment data should be corrected for students who exit the District.
- Response – We will correct the certified enrollment in the future for students exiting the system.
- Conclusion – Response accepted.
- IV-H-10 Supplementary Weighting – No variances regarding the supplementary weighting certified to the Iowa Department of Education were noted.
- IV-I-10 Deposits and Investments - No instances of noncompliance were noted with the deposit and investment provisions of Chapter 12B and 12C of the Code of Iowa and the District's investment policy.
- IV-J-10 Certified Annual Report - The Certified Annual Report was filed with the Department of Education timely and we noted no significant deficiencies in the amounts reported.
- IV-K-10 Categorical Funding – No instances were noted of categorical funding used to supplant rather than supplement other funds.

Johnston Community School District
Schedule of Findings and Questioned Costs
Year ended June 30, 2010

IV-M-10 Statewide Sales, Services and Use Tax – No instances of non-compliance with the use of the statewide sales, services and use tax revenue provisions of Chapter 423F.3 of the Code of Iowa were noted.

Pursuant to Chapter 423F.5 of the Code of Iowa, the annual audit is required to include certain reporting elements related to the statewide sales, services and use tax revenue. For the year ended June 30, 2010, the District's financial activity and other required information for the statewide sales, services and use tax revenue are as follows:

Statewide sales, services and use tax

Beginning balance	\$	1,233,914
Statewide sales, services and use tax revenue		4,282,968
Expenditures/transfers out		
Debt service for school infrastructure::		
General obligation debt		<u>5,516,882</u>
	\$	<u>-</u>

The statewide sales, services and use tax revenue received during the year ended June 30, 2010 is equivalent to a reduction in the following levies:

	Per \$1000 of			
	Taxable		Property Tax	
	Valuation		Dollars	
Debt service levy	\$	2.64034	\$	4,282,968